

Panama Report by Carlos Wesley

U.S. threatens to shut down canal

Calling enforcement of Panama's tax laws "harassment," various quarters have renewed threats of military aggression.

William Gianelli, the chairman of the Panama Canal Commission, threatened March 27 to shut down the waterway, alleging a campaign of harassment against Americans was being directed by Panama Defense Forces chief Manuel Noriega. Retired U.S. Gen. Henry Mohr, writing in the March 28 *Washington Times*, called for the U.S. to "send one or more combat divisions to Panama well in advance of that nation's presidential elections, set for May 7, to reinforce the approximately 10,000 U.S. troops already there."

"Management is doing everything within its power to keep the canal operating, but in my view, if Noriega continues his campaign against our workforce . . . the efficiency of the canal will so deteriorate that international shipping will have to consider other means of moving cargo, said Gianelli." Michael Rhode Jr., Gianelli's spokesman, was blunter: "Ultimately the canal could close."

At the March 28 State Department briefing, spokeswoman Margaret Tutwiler, again claiming "a deliberate effort by the Noriega regime to harass U.S. and Panamanian citizen employees of the United States government," issued a clear threat: "Under the 1977 Panama Canal Treaty, the United States has primary responsibility for the canal's operations and defense until Dec. 31, 1999. We respect our treaty commitments and intend to meet our obligations to ensure the canal's safe, efficient, uninterrupted operations."

In fact, Panama is simply enforcing its tax laws. Under long-standing

statutes, Panamanian authorities are not renewing motor vehicle license plates without a certificate of tax compliance. Employees of the Panama Canal have not been able to use their cars to get to work as of the beginning of this fiscal year, March 1, because, although their taxes have been withheld by the U.S. government agency, they have not been turned over to Panama under the sanctions adopted by the Reagan administration in its unsuccessful bid to oust Noriega. Panama has lost millions of dollars in revenue because of these economic warfare measures designed by Henry Kissinger's lawyer, William D. Rogers, including some \$65 million that have disappeared from Panamanian accounts in U.S. banks frozen by the Rogers sanctions.

The problem faced by the Eastern Establishment is that the American embassy-controlled Panamanian opposition, the Democratic Opposition Alliance (ADO), does not have a prayer of winning the presidential elections. Among other problems, the opposition is split. The main opposition party, the Panamenistas, refused to join the ADO, claiming that it is run by the U.S. embassy. Also, the ADO is closely identified with Venezuelan President Carlos Andrés Pérez, and few in Panama want their country to go through the bloody riots that Venezuela just suffered. And after the elections, the last shred of legality for the Rogers sanctions—that former President Eric Delvalle is still "the legitimate President" of Panama—will be gone.

What this all signifies is that the U.S. "Project Democracy" attack on the sovereignty of Panama, e.g., the phony indictment of Noriega on drug charges, has been unsuccessful.

The Bush administration's first response to this appears to be flight forward. On March 22, Secretary of State James Baker said that unless his opposition wins, the U.S. will not recognize the result of Panama's elections. A victory by the pro-Noriega candidate, Carlos Duque, would constitute "fraudulent elections," proclaimed the State Department.

Syndicated columnist Georgie Anne Geyer, who is close to "CIA socialist" types, called on March 20 for sending in troops before the elections. "Military action will eventually become inevitable there." Her call was repeated by General Mohr a week later. "The presence of a U.S. combat division in Panama would provide much-needed reassurances to Gen. Noriega's opposition," he wrote.

In contrast to these wild ravings, former U.S. ambassador to Panama, Ambler Moss, has proposed that the U.S. can keep its military bases in Panama by using a carrot instead of the big stick. In the March issue of *American Legion* magazine, Moss stated that the sanctions were "arguably a breach of the Panama Canal treaties and could set a bad precedent," and notes that even the American Chamber of Commerce in Panama called the sanctions "ill conceived and misdirected." Moss stated that "renewing U.S. base rights" in Panama, "has become more important since the Sandinistas have come to power." He proposed that the administration make every effort to "reach a quick accord under which the economic sanctions can be lifted," and offer Panama "the going price for U.S. base rights in non-NATO countries."