

## Panama Report by Carlos Wesley

### U.S. government's drug links deepen

*The same U.S. government that supposedly invaded Panama to "fight drugs" has been trafficking drugs.*

Federal Judge Patrick Kelly of Wichita, Kansas ordered U.S. Attorney General Richard Thornburgh to appear before him on April 2, to explain the government's conduct in the case of *Midland National Bank v. Puritan Insurance Co.* This case "stinks to high heaven," said Judge Kelly on March 16, according to court transcripts. "It involves criminal conduct at the hands of the U.S. More specifically it involves the transport of drugs by agents of the U.S., or with the acquiescence of the U.S.," he said.

Kelly issued the order after the government reneged on an out of court settlement on the loss of an airplane that had been leased by the U.S. government from Kansas businessman Walter Conlogue. When the plane went down off the Cayman Islands in 1983, it was discovered that it was transporting drugs from Colombia. The pilot, convicted smuggler Michael Toliver, later testified that he had been hired by the government to fly weapons to the Nicaraguan Contra rebels, and brought illegal drugs back to the United States several times under the "supervision of federal agents."

Conlogue still owed \$198,000 on the twin-engine Beech King aircraft to Midland National Bank of Newton, Kansas but his insurance company, Puritan, refused to pay, claiming that the plane was not used for the purposes stated in the policy. The bank then sued Puritan. After the gun and drug running became known, the U.S. government, originally not a party to the suit, offered to settle "for considerably more than the amount owed on the plane," said one of the lawyers

involved in the case.

Just three days after Judge Kelly's remarks implicating the U.S. government in drug running, the Bush administration was defending its alliance with the narco-government it installed in Panama.

Asked at hearings of the House Foreign Operations Subcommittee on March 19 about the drug-banking ties of senior officials of the government of Guillermo "Porky" Endara, ties that were first made public in the United States by *EIR*, Assistant Secretary of State for Inter-American Affairs Bernard Aronson replied: "I note that the *New York Times* story of Feb. 6, 1990, which I believe first surfaced the matter said . . . 'President Endara was and is still a member of the board of Banco Interoceanico de Panama.' It is not illegal in Panama for a President to so serve."

Aronson added, "Attorney General [Rogelio] Cruz says he was a director of First Interamericas Bank for less than two years in the period 1985 to 1987. He also states that [Gen. Manuel] Noriega invented money-laundering charges against him in an effort to embarrass him because he was a longtime political foe of Noriega. After Mr. Cruz left the board, the bank was intervened into by the Noriega regime and it is no longer functioning. I don't know what that means, but we see no reason to infer wrongdoing."

Noriega did not "invent" drug charges against Cruz. At the time Aronson admits that Cruz was sitting on the board of First Interamericas, it is a matter of public record that the bank was owned by Cali cocaine Cartel kingpin Gilberto Rodríguez Orejuela,

and by Jorge Luis Ochoa of the Medellín drug cartel.

The Chief Justice of Endara's Supreme Court, Carlos Lucas López also hails from that drug cartel-owned bank. So does Treasury Minister Mario Galindo, and Jaime Arias Calderón, whose brother is First Vice President Ricardo Arias Calderón.

Aronson also left out the fact that Endara's Banco Interoceanico is a proven laundromat for the Medellín Cartel, as was determined by undercover operations conducted by U.S. law enforcement agencies, and that convicted Medellín Cartel drug-money launderer Ramón Milian Rodríguez earlier this year fingered Second Vice President Guillermo "Billy" Ford as one of his partners.

And there is no incentive for this rogues' gallery to get out of the drug-money-laundering business, given Bush's refusal to help rebuild Panama's war-torn economy. Bush's much ballyhooed \$800 million "fund for democracy," which is supposed to provide \$500 million in "aid" to Panama, is just a welfare program for international banking institutions, such as the International Monetary Fund, the World Bank, and Panama's other creditors.

Sen. Patrick Leahy (D-Vt.) described the package as an "Abbot and Costello joke," during hearings held on March 20. "What we have done," said Leahy, "is to say we are going to take the American taxpayers' money to help Panama pay its debts to the international development banks." The administration's proposal calls for Panama to pay out \$805 million to its foreign creditors, in exchange for which "Panama will get less than \$400 million in loans, so that they would have paid out \$400 million more than they get back," Leahy said. "My billion-dollar question is this, is this thing as cockeyed as it sounds?"