

Panama invasion: Bush's trial run for the new world order

by Carlos Wesley

We are pleased to reprint a presentation delivered by EIR's Caribbean affairs editor to the Latin American Studies Association (LASA) on April 6.

As you know, on Dec. 20, 1989, in what could accurately be said to be the first test of President George Bush's new world order, the Armed Forces of the United States—some 30,000 strong, armed with the most sophisticated weapons in the world, from Stealth fighter bombers to laser rays, and even chemical weapons—achieved a great military victory against the Panamanian Defense Forces led by Gen. Manuel Noriega, an army exactly the size of the Chicago Police Department, and probably not as well armed.

What were the reasons for that invasion? There were no death squads in Panama. Despite all the propaganda against Noriega, it was never claimed that the invading forces had liberated a single political prisoner held by Panama's Defense Forces. One has to admit, that the Panamanian Defense Forces under Noriega had a better human rights record than the Los Angeles Police Department under Daryl Gates.

So, what was the invasion about?

In his speech on Dec. 20, 1989, after the troops had gone into action, President Bush said, "The goals of the United States have been to safeguard the lives of Americans, to defend democracy in Panama, to combat drug trafficking, and to protect the integrity of the Panama Canal Treaty."

Let us look at those assertions one by one. Let us examine what has happened in Panama since the invasion, in light of the goals Bush claimed he wanted to achieve.

From the outset let me say, that we will be looking at this

through the eyes of a Panamanian, my eyes, not from the sort of academic standpoint you might be more accustomed to.

Drug lords put into power

First assertion: The invasion was to combat drug trafficking.

Well, the big headline in Latin America April 5-6, was that another report from the Drug Enforcement Administration (DEA) said that the U.S.-installed President of Panama, Guillermo Endara, was an officer of at least six companies involved in laundering drug money. The money, according to the reports, was from a drug ring run by Colombians Augusto Falcón and Salvador Magluta, which allegedly smuggled one ton of cocaine each and every month into Florida, during at least a decade, up to 1987. Endara said he left the companies, on whose board he sat with other members of his law firm, in 1987. But the reports say he remained on the board until at least December of 1990. Other members of the Endara law firm include Menalco Solís, who runs the CIA-trained National Security and Defense Council and the Institutional Protection Service, and Hernán Delgado, Endara's key presidential adviser who was the chairman of the companies charged with money laundering.

It is not the first time Endara has been found to be linked to drug money laundering. He was a co-owner and on the board of Banco Interoceánico, which was ordered liquidated in March. According to U.S. authorities, Interoceánico was laundering funds for the drug mafias, and had even set up special branches in 1989 just to handle the huge inflow of

drug funds, especially that coming from its main customer, Medellín cocaine cartel kingpin, Gonzalo Rodríguez Gacha, now dead.

Among the banks named April 5, are the Banco General, Banco de Colombia, Union Bank of Switzerland, Banco Alemán, Primer Banco de Ahorros, Sudameris, Banaico, and Banco del Istmo. Most of them are run by the people the U.S. deployed against Noriega and later installed as the government of Panama. For example, Banco del Istmo belongs to Gabriel Lewis Galindo, who is being touted as a potential replacement for the Endara-led troika if and when the Bush administration decides it's time for a change in Panama.

U.S. authorities had information about these individuals' alleged illegal activities long before they were recruited to the anti-Noriega operation, and most assuredly, long before the U.S. decided to install them as the government of Panama.

Besides Endara, other officials of the U.S.-installed Panamanian government known to be tied to drug trafficking and/or to drug money laundering include Second Vice President Guillermo "Billy" Ford, who was a co-owner—with politicians Carlos Rodríguez, who was Endara's ambassador to Washington, and Bobby Eisenmann, publisher of *La Prensa*—of Dadeland National Bank of Miami. Dadeland Bank was the institution charged by prosecutors with laundering the funds for drug trafficker Antonio "Tony" Fernández, sentenced in 1985 to 50 years in jail in the famous Dadeland Bank of Florida/Steven Samos money-laundering case.

Dadeland Bank was also the laundromat of choice of Medellín Cartel money launderer Gonzalo Mora, Jr., who pled guilty in 1989 to drug money laundering charges in Florida.

Also, according to the *Miami Herald* of Jan. 5, 1990, convicted Medellín Cartel money launderer Ramón Milian Rodríguez said he laundered millions of dollars in the 1980s through a company owned by Ford's brother, Henry, and that Billy, the current vice president, also helped his money-laundering operations.

The article said the vice president's nephew Jaime Ford Lara was a schoolmate of Milian Rodríguez. It was Jaime Ford Lara who introduced Milian Rodríguez to the Ford family. Ford Lara was named by the Endara government to run the Colón Free Zone.

Attorney General Rogelio Cruz, who is supposed to be the country's top law enforcement official, was an officer of First Interamericas Bank, co-owned by Gilberto Rodríguez Orejuela of the Cali Cartel, and Jorge Ochoa of the Medellín Cartel. Also on the board of First Interamericas, which was shut down by Noriega in a joint operation with the DEA in 1984, was Jaime Arias Calderón, brother of Guillermo Arias Calderón, first vice president in the U.S.-installed government of Panama. Jaime Arias Calderón is admittedly the chief financial conduit of brother Ricardo's political operations.



Ibero-American parliamentarians place wreath at the tomb of Gen. Omar Torrijos, as gesture of support for Panamanian sovereignty in June 1989. Torrijos-inspired nationalism is what the Anglo-American elite hopes to stamp out.

The jointly owned money-laundering institution of the Medellín and Cali cocaine cartels, First Interamericas, has provided other alumni to the roster of the current Panamanian government, including Treasury Minister Mario Galindo and the chief justice of the Supreme Court, Carlos Lucas López Tejada.

Given that this is the makeup of the government installed in Panama since the invasion, it should come as no surprise that, as London's *The Independent* reported on March 5, 1991, "Statistics now indicate that since General Noriega's departure, cocaine trafficking has, in fact, prospered" in Panama. A few days earlier, on March 1, the U.S. Department of State admitted in a report that drug money laundering is also up at least to the levels of 1989, when George Bush ordered the invasion of the country, killing at least 4,000, if not many more Panamanians.

But, you don't need the DEA, the State Department, or Carlos Wesley to tell you if getting rid of Noriega advanced the war on drugs. There is a very simple test. Has the flow of drugs gone down in Washington, D.C., or in your city, or on your campus; has the number of drug-related murders and other crimes decreased since the U.S. forces went after Noriega and confiscated 50 kilos of cornmeal tamales in December of 1989?

I am sure that the answer is no.

Bush sanctions military dictatorship

Second assertion: to defend democracy in Panama.

Let me be blunt about it. The U.S. has established a military

dictatorship in Panama. Panamanian waters are now patrolled by the U.S. Coast Guard. Panama City, Colón, and other cities are subject to so-called anti-crime sweeps by U.S. troops.

Earlier this year, there were congressional and local elections in Panama. To get out the vote in favor of the U.S.-installed government (which lost, by the way), candidates supported by the Americans got to campaign in U.S. military helicopters, according to one of the few issues of the opposition daily newspaper *El Periódico*, on Jan. 4, 1991, that managed to reach the public. Since it is not possible to teach the natives good old U.S. of A. electioneering without a little porkbarreling, U.S. occupation authorities in Panama sent out the bulldozers to the town of Nombre de Dios, in the province of Colón, where U.S. Army engineers launched operation "Fuerte Caminos 91." Dubbed as "the largest civic action program" undertaken by SouthCom [U.S. Southern Command] in all of Ibero-America, the operation was inaugurated with the kind of fanfare that would have caused the envy of a Chicago ward heeler from the old days.

The 142nd U.S. Army Medical Battalion dispensed vaccines and pushed pills to peasants in the most remote villages. The 470th Intelligence Brigade interrogated voters daily.

As war was about to break out in the Persian Gulf, U.S. troops again deployed in force in the provinces of Chiriqui, Bocas del Toro, Panama, and Colón, because of Panama's large Arab population. And, as most of you know, just this past Dec. 5, U.S. troops deployed in full combat gear into Panama City, supposedly to put down an alleged coup by the former chief of police, Eduardo Herrera.

Every government office in Panama has U.S. military officers assigned to it, from Endara's presidency on down. These are officers from the Pentagon's so-called Civic Action-Country Area Team, or CA-CAT. There are CA-CAT officers assigned to each ministry, all the way down to municipalities and even to police precincts in Panama City. This degree of military control is unheard of in Panama's history. Even under the military governments of General Noriega and his predecessors, all the way back to the leader of the 1968 revolution, Gen. Omar Torrijos, the day-to-day running of the government and most policy decision-making was in the hands of Panamanian civilians.

The American officers are training the police forces, and reeducating the former members of the Panamanian Defense Forces (PDF) that were kept on the new Fuerza Pública. As they have explained their mission, the idea is to tell the Panamanian people, via television, that they should forget the issue of the invasion, and concentrate their energies on rebuilding the national identity.

Racism rears its ugly head

This was described in somewhat blunter terms by American Gen. Marc Cisneros, the former head of U.S. Army South. The PDF, he said, "needed an enema." As for the general Panamanian population, General Cisneros was also

very explicit: "They need to have a little change in mind set," he said. Panamanians, he added, "need to have a little infusion of Anglo values."

What are some of those values? Well, take racism.

Before the invasion, the Noriega government was a model of affirmative action, only no one in Panama made any fuss about it.

The President was Francisco Rodríguez, a mestizo; the chief justice of the Supreme Court was Marisol Reyes de Vázquez, a woman. The head of the electoral tribunal, a position of equal rank as the chief justice of the Supreme Court, was also a woman.

The minister of government and justice, who is considered the top official of the cabinet, was Renato Pereira, a black man; the foreign minister was Leonardo Kam, of Chinese descent; the treasury minister was Orville Goodin, a black man; the minister of labor was George Fisher, another black man, and so on down the line. As for the PDF, Noriega was very visibly a mestizo and the rest of the high command included several black men, including the head of the Air Force, such as it was, and a couple of Chinese.

Who were they replaced by? There is only one woman and one black in the cabinet, and it happens to be the same person: Education Minister Ada de Gordon. Every other top official in the U.S.-installed government of Panama, just so happens to be a white male, and most are related to each other. I already mentioned that Ford's nephew, Jaime Ford Lara, is head of the Colón Free Zone. Endara's uncle is head of the Social Security Administration, and so on and so forth.

What the U.S. invasion installed as the government of Panama was the oligarchic comprador class which traditionally ruled Panama until the 1968 Torrijista revolution. These oligarchs, known in Panama as *rabiblanco*s, or white tails, are incapable of governing because, since the establishment of the republic in 1903 with the assistance of Teddy Roosevelt, the Americans always governed for them.

Their pathetic showing during the more than 30 months that preceded the invasion, during which time the U.S. embassy tried to use them to lead an opposition against Noriega, proved their unwillingness to fight for anything. Virtually every strike against Noriega planned by the strategists at the U.S. embassy fizzled when this gang refused to shut down their businesses for fear of losing a day's profits. Such is their contempt for the blacks and mestizos who make up the majority of Panama's population, that they were never able to organize a mass base. So seldom were they willing to abandon the air-conditioned comfort of their cars to hold a demonstration, that the international press took to referring to them as "BMW revolutionaries."

Freedom of the press lost

There is no free press. Under the so-called dictatorship of Noriega, Panamanians had more access to the media. Since the U.S. was so keen on getting Noriega, anyone who had a

complaint against the general, no matter how unfounded, was virtually guaranteed prime-time coverage by ABC, CBC, NBC, CNN, and NPR. Nowadays, no one gives a hoot.

Take the case of broadcaster Balbino "Nino" Macías, the owner of a radio station. He decided to test the government's commitment to democracy by opening his microphones to the public in February of last year. Things were okay until he decided to hold an informal poll. When it turned out that 8 of every 10 callers were against the invasion and the U.S.-installed government, there were moves to shut down the station. Macías responded by chaining himself to the studio, and the government backed down—for a while. All of a sudden, he began getting trouble from the government-owned utilities, and other financial problems. He toned down his anti-government broadcasts.

Journalist Escolástico Calvo, the former publisher of *Crítica*, *Matutino*, and *La República*, was detained by U.S. troops at the time of the invasion and sent to a concentration camp. On what authority, it is not known. He was later transferred to Panamanian authorities who kept him in jail, without trial, until a few months ago, when he was finally let go "for humanitarian reasons" after an international campaign for his release. Why was he not tried? Well, the only charges the government thought it could make stick were for misdemeanors. "I have insisted they try me to get this over with. Even if they manage to convict me, the most I could be sentenced to is to pay a fine of a few hundred dollars," Calvo told me last week.

The same with former legislator and university professor Rigoberto Paredes, who has been held, without trial, since the invasion, first at the American concentration camp and then by the government.

El Periódico came out as a clandestine weekly from time to time. But when it tried to make it as a daily earlier this year, the motors of its press burned down, caused by sudden power surges. It is now shut while its publishers try to raise money to buy the needed replacement parts.

What Panamanians now have is what passes for a free press in the United States. That sort of freedom of the press is useful, as A.J. Liebling once said, only if you own one. Since in Panama the only ones who can afford to publish a newspaper are the *rabiblancos*, only they can say what they want, but only so long as it is within the established parameters. True dissent does not exist.

No rule of law

How can it, when the rule of law is ignored? Members of the legislature are supposed to be immune from arrest when the National Legislative Assembly is in session. Only if the legislative body agrees to lifting a member's parliamentary immunity can that member be arrested and subjected to prosecution, regardless of the charge. Yet, opposition legislator Elías Castillo was jailed at the start of the current legislative session, and the government did not even seek to get his

immunity lifted, which would have been a mere formality since they command a majority in the parliament.

Following a 100,000 person-strong "right to life" march this past Dec. 4, which was organized by the labor movement to protest growing unemployment and the plans by the government to sell off the state sector at bargain-basement prices, every single one of the labor leaders involved was fired, down to the level of shop steward, and arrest orders were issued for 100 of the top leaders. It turns out that the labor leaders had the law on their side. The march took place after working hours, and they were engaged in an activity protected by the labor code, and by other laws up to and including the Constitution of Panama.

Not to worry. The U.S.-installed government ordered them fired anyway, and then got the Legislative Assembly to approve a law, *ex post facto*, giving them the legal authority to carry out the dismissals.

Destroying Torrijos

I want to say something about the ongoing campaign to turn the late nationalist leader Gen. Omar Torrijos into a non-person. His name has been removed from Panama City's international airport, from schools, museums, and other public buildings. Schoolteachers have been instructed to refer to Torrijos as a "dictator."

Most Panamanians revere Torrijos because of his contributions to the nation's development. During his government, from 1968 to 1972, electrification was extended to most of the country. Highways, hospitals, schools, water works, telephone networks, and whole towns were built. Illiteracy was nearly eradicated. Persons from the poorest layers were given the opportunity for higher education. And, most important, he ended Panama's semi-colonial status, by successfully negotiating the 1977 Panama Canal treaties.

According to labor leader Mauro Murillo, Panamanians "lived moments of splendor, of advancement, of progress during the Torrijos era." Murillo, who heads Panama's National Workers Federation (CNTF) and who is also a vice president of the Latin American Communications Workers, has said that under Torrijos and his successor, Noriega, "workers, peasants, and the people in general participated in running the state, because we were consulted and our opinions were taken into account."

The offensive against Panamanian nationalism, he said, is to lay the groundwork to refinance the foreign debt, and to impose the structural adjustments of the International Monetary Fund and the World Bank. That would entail privatization of all state companies, reducing the minimum wage, and doing away with the right of collective bargaining, he said.

Destroying the economy

The destruction caused by the invasion and the preceding two years of economic warfare, cost Panama up to \$7 billion,

according to officials of the former government, and at least \$3 billion, according to officials of the Endara government. After promising \$2 billion, and then \$1 billion, in assistance, the U.S. government finally approved just \$460 million. Of that, only \$42 million was slated for so-called humanitarian aid, and a few million more for other government operations. The greater portion of the funds are staying right here in the United States, to pay some of the \$800 million in arrears on Panama's foreign debt, which is now close to \$6 billion, according to First Vice President Ricardo Arias Calderón. Even the money earmarked to go to Panama has been held back by the Bush administration, to force the Endara government to sign the Mutual Legal Assistance Pact.

But that's not all. The U.S. admitted having stolen \$400 million of Panama's own money under the economic sanctions against Noriega. Part of that money was used to finance shady operations by the fictitious government nominally run by former President Eric Delvalle out of his condo in Coconut Grove, Florida. But, after the invasion, instead of returning what was left to the Endara regime, the U.S. government held on to the greater portion and sent it off to the banks, again to help clear up Panama's arrears.

Fifteen months after the invasion, there are still some 2,000 persons, of the estimated 40,000 left homeless by the U.S. bombing of El Chorrillo [a poor neighborhood in Panama City], living in cubicles in the abandoned hangars of the former U.S. Air Force base at Albrook. Most of the other persons displaced from El Chorrillo were forced to make their own arrangements to find shelter. The U.S. Agency for International Development (AID) allocated \$6,500 per family for replacement housing, but that does not even compensate for the personal property they lost, much less buy replacement housing. In fact, it is far below what those people are entitled to as indemnification under the rules of war. El Chorrillo is not being rebuilt for its former residents. El Chorrillo is slated to undergo what is known in the U.S. as gentrification.

The government rescinded a law adopted by the previous military governments, that froze land prices in El Chorrillo at \$40-80 per square meter. Without the freeze, said Raúl Figueroa, the housing minister, land prices in El Chorrillo will eventually zoom up to \$900 per square meter, placing it out of the reach of the former residents, whose monthly income averages an estimated \$160 per month.

According to a recent U.S. General Accounting Office report entitled "Resettlement of Panama's Displaced El Chorrillo Residents, December 1990" (GAO/NSIAD-91-63BR), AID said that because of "criticism that attempts were being made to prevent residents to return to what some considered a prime downtown area," it was forced to offer the choice of building low income housing in El Chorrillo. But, says AID, those who choose to go back to live in El Chorrillo, will have to wait another 1-2 years before an apartment is available, and then the apartments will sell for

\$12,000, almost twice as much as the \$6,500 housing grant.

More than one-third of Panama's total labor force is unemployed. For the first time in decades, there is now a problem of infant malnutrition, according to Endara's own health minister. The same official has also warned that Panama is going to be hit by the cholera epidemic now sweeping across South America.

Yet, the entirety of the government's economic program is oriented towards selling off state enterprises at bargain-basement prices, and paying the debt, no matter what it takes. That policy was made in the U.S.A. As an official of the Bush administration told the *Los Angeles Times* soon after the invasion, "economic recovery should be the country's number-two goal. Panama's first priority, says the U.S., is to pay off its foreign debt." The American official, according to the *Los Angeles Times*, said that if Panama spent money creating jobs, "You will have created in the long run a basket case. If you spend the money on public works, it will take away from debt payment."

When Vice President Arias Calderón suggested last week that maybe the government should pay some attention to the social debt before it lost all support, Comptroller Rubén Darío Carles replied: That's nonsense—Peru's Alan García tried that and look where it got him. We have an obligation to pay the debt and that's it, said Carles.

This, of course, is all in the name of the "free market" economy promoted by Bush. But even super-capitalists such as Dulcideo González, the staunchly pro-American former head of Panama's National Council for Private Enterprise (CONEP), has said the National Strategy for Economic Development and Modernization imposed on the government of Panama by the Bush administration means "the death of private enterprise."

According to González, "this damned economic plan seems to have been drafted by Martians after an all-night marijuana-smoking party."

Canal treaties in jeopardy

The third assertion: to protect the integrity of the treaties. The 1977 Panama Canal Treaties call for the United States to turn over the Panama Canal to the Republic of Panama on Dec. 31, 1999. At the same time, the U.S. is supposed to shut down its military bases in that country.

On March 21, Sen. Larry Craig (R-Id.) introduced a concurrent resolution calling on Bush to renegotiate the Panama Canal Treaties to maintain a U.S. military presence there, "because the Republic of Panama has dissolved its defense forces and has no standing army, or other defense forces, capable of defending the Panama Canal from aggressors, and therefore, remains vulnerable to attack both from inside and outside of Panama." First, the U.S. armtwists Panama into disarming itself, then a resolution is submitted to Congress that "calls on President George Bush to renegotiate the Panama Canal Treaties, to permit the United States Armed Forces

EIR reporter speaks to scholars on Panama invasion

Executive Intelligence Review's Panama correspondent Carlos Wesley was one of the featured speakers on the panel on "The Impact of the Panama Invasion" at the 16th International Congress of the Latin American Studies Association (LASA), which took place from April 4-6 in Washington, D.C. LASA, which groups academics and other specialists on Latin America from universities, colleges, think tanks and similar institutions in the United States and elsewhere in the world, is currently celebrating its 25th anniversary.

Wesley was invited to ensure that a Panamanian perspective was presented to the conference after Marco Gándasegui and Raúl Leis, two scholars from Panama who were originally scheduled to speak, were forced to cancel their trip. Ostensibly, the cancellation was because of objections from "the donors." The Ford Foundation and the Interamerican Foundation provide LASA with the funds to finance the participation of scholars from abroad. Wesley spoke on the panel with well-known American author Philip Wheaton, who has just published a book on U.S.-Panama relations, and another American specialist on Panama, Dr. Coniff, a historian.

Wesley's assessment of where things stand in Panama today, 16 months after George Bush ordered the invasion on Dec. 20, 1989, shocked the audience, which has been for the most part uninformed by the U.S. media. Particularly upsetting to most, was the fact that almost daily, more information from U.S. law enforcement agencies

becomes available showing that the government which Bush installed in Panama after the invasion, presided over by Guillermo Endara, is tied to the drug cartels, a story blacked out by the American media.

He also documented that very little has been done for the victims of the invasion, mostly Panamanian civilians, or to rebuild that nation's war-torn economy. This evaluation, corroborated by the other speakers on the panel, gave rise to a heated debate during the discussion period. Panama's ambassador to the United States, Eduardo Vallarino, appointed by the Endara government, said that virtually "everything the speakers said" was false, that there "are two sides to every issue," and that he would be glad to provide "the other side" to everyone who wrote to Panama's embassy in Washington.

This proved too much for Panamanian political figure Arturo Griffith, who shouted at the ambassador: "What other side? There is no other side. Who speaks for the thousands who were killed in the invasion?"

Antonio Stamp, a Panamanian activist in the Washington, D.C. area, took the Endara government's envoy to task for not demanding that the U.S. government indemnify those Panamanians left homeless by the invasion.

But it is unlikely that Vallarino will provide the "other side" to anyone who writes requesting information. Two days after the LASA conference, Endara fired Vallarino as Panama's ambassador and gave the job to the brother of banker Guillermo "Billy" Ford, the second vice president and minister of planning and finance in the U.S.-installed government. Ford, who is a former co-owner of the drug money-laundering Dadeland Bank of Miami and a Bush favorite, already has a nephew appointed as head of the Colón Free Zone.

to remain in Panama beyond Dec. 31, 1999, and to permit the U.S. to act independently to continue to protect the Panama Canal."

The concurrent resolution, introduced in the House by Rep. Philip Crane (R-Ill.), is backed by Senate Minority Leader Bob Dole (R-Kan.), which means that the Bush White House is also behind it.

By one of those coincidences of history, on the same day, March 21, the U.S.-installed government sent a number of proposed amendments to Panama's Constitution to the National Legislature. The most important of those amendments would forever abolish Panama's right to an army.

It is clear that none of three main reasons Bush gave for the invasion, has succeeded. Far from combatting drugs, the invasion installed a more corrupt government in power in Panama, with predictable results: more drugs, and more drug money laundering. The invasion, in fact, put in a government

that has made Panama safe for drugs. Instead of democracy, Panama is now governed by a U.S. military dictatorship that does not allow a free press, ignores the rule of law, and has no respect for human rights. Insofar as the third assertion, to protect the integrity of the Panama Canal Treaties, the Bush administration has de facto torn up the treaties through the invasion and subsequent occupation, and it's now proceeding to nullify those treaties *de jure*.

So, every one of the aims of the invasion has been botched. One must conclude that either the Bush administration is the most incompetent bunch of buffoons ever to occupy the White House, or—and this is my own personal conviction—from the beginning, the Bush administration has approached Panama as a laboratory to perform the experiments in how to set up the new world order, the results of which we have now seen applied to Iraq, and will likely soon see extended to other nations of the Third World.