
PANAMA

Torrijos death opens the way for chaos

by Gretchen Small

The sudden demise of Panamanian strongman General Omar Torrijos July 31, when the Twin-Otter airplane in which he was traveling hit the side of a mountain, remains shrouded in mystery. Panamanian officials deny any foul play—but most knowledgeable observers believe he was assassinated, and are asking themselves who wanted Torrijos dead.

The suggestion, for instance, that Torrijos' death was due to deliberate sabotage by the CIA was floated by Soviet radio the day after the crash, and it was promptly—and vehemently—denied by the U.S. State Department. Others are privately charging the ultraradical insurrection networks in Central America linked to Cuba and the Society of Jesus with responsibility. According to this view, Torrijos was holding back on endorsing an all-out insurrection in the region as per the "September Scenario" for blowing the area up.

Whatever the case, the fact is that General Torrijos was deeply involved with the Latin American operations of the Propaganda 2 (P-2) networks of Masonic Grand Master Licio Gelli, and with the terrorism and shady financial dealings that the P-2 crowd has been proven to specialize in.

Torrijos achieved international prominence for successfully obtaining the agreement of the Carter administration in 1978 to relinquish U.S. control over the Panama Canal, following years of protracted negotiations. The Panamanian strongman also became a hero of sorts in the Third World for his well-publicized support for sundry radical causes, including the Nicaraguan Sandinista revolution, and Libya's Muammar Qaddafi.

But during the almost 13 years that he ruled Panama after staging a military coup in 1968, Torrijos presided over the transformation of Panama into one of the world's largest offshore international banking centers. Over 110 multinational banks—ranging from David Rockefeller's Chase Manhattan to Trilateral Commission member Sol Linowitz's Marine Midland (recently purchased by the drug-running Hongkong and Shanghai), to the Royal Bank of Canada—which jointly control close to \$40 billion in assets, now operate in the almost unregulated environment set up by Torrijos and

his former planning minister, Nicolás Ardito Barleta. Barleta, one of Milton Friedman's "Chicago Boys," is now the World Bank's vice-president for Latin America.

It is no secret that much of the banking activity in Panama is related to the country's longstanding role as a contraband entrepôt. Panama is the largest duty-free port in the world after Hong Kong. And during Torrijos' reign, the country's traditional role as a transit point for drugs from the Orient to the West was overshadowed by the growth of its role as a transshipment point for the South American drug flow.

In fact, one of General Torrijos' brothers, Moisés, was indicted in 1971 by a federal grand jury in New York for heading a heroin smuggling ring. The scandal caused by the Moisés Torrijos affair, who at the time was Panama's ambassador to Argentina, almost scuttled the canal treaty negotiations.

It was through Argentina that the Torrijos brothers maintained one of their most direct links to the P-2 lodge headed by Licio Gelli. General Torrijos, it has been revealed, was a key factor in obtaining the recent release from prison of Argentina's former president, Isabel Perón—the widow of dictator Juan Perón—who was in jail for stealing national funds in collaboration with listed P-2 member José López Rega.

Torrijos, according to Mrs. Perón's own testimony, was so close to the P-2-controlled Perón that, before his death in 1973, Perón proclaimed Torrijos his "political heir" in Latin America. Torrijos reportedly was even given Perón's swagger stick as a symbolic gesture.

Last week the Argentine daily *Clarín* reported that Torrijos was also allied to David Rockefeller's Trilateral Commission, which is extensively interlinked with Gelli's P-2 lodge. According to *Clarín*, the Trilateral Commission decided to back the canal treaties after getting Torrijos to agree to establishing Panama as an offshore banking center in 1970.

During Torrijos' reign, Panama also became a key command center for the deployment of Socialist International-controlled terrorist activities. Just three weeks ago, Edén Pastora, better known as Nicaragua's "Commander Zero," fled Nicaragua to Panama, where he joined forces with Hugo Spadafora, Torrijos' former Vice Minister of Health, to launch regional "wars of liberation." Spadafora, part of the famous Italian noble family of that name, received guerrilla training through Qaddafi's networks, and has since fought on the side of the guerrillas in Guinea-Bissau, Nicaragua, and is soon to join the civil war in El Salvador, he claims.

In Panama for talks during the last weeks before Torrijos' death were the head of Spain's Socialist Party Felipe González, Portuguese Socialist Mario Soares, Colombian author and terrorist-controller Gabriel García Márquez, and his Peruvian counterpart and London resident Mario Vargas Llosa.