

Panama crisis at standoff—for now

by Valerie Rush

The failure of the Reagan administration to clean out the "Project Democracy" secret government apparatus in the U.S. State Department and Congress has set the stage for confrontation in Panama, where the meddling of this network could bring with it incalculable damage to the strategic interests of the United States, and to its relations with the rest of the Ibero-American continent.

For now, the Panamanian government appears to have weathered another storm.

First, under pressure from the Project Democracy forces—domestic and foreign—Panamanian President Delvalle banned a pro-government rally planned for July 9, whose leading speaker was to have been Defense Forces chief Gen. Manuel Antonio Noriega, and whose purpose was to have been a show of popular strength for the government and defense forces. The ban, intended to include the opposition as well, nonetheless gave the anti-government elements precisely what they wanted. They planned to proceed with a July 10 rally, in an effort to present the government with two choices: It could order out the Panamanian Defense Forces (PDF) to shut it down, or it could abandon the field to its enemy. In either case, the opposition reasoned, widespread violence could be the result, threatening the Panama Canal itself.

That didn't occur, for the simple reason that the so-called opposition in fact has little support outside the middle class in the two main cities. What was supposed to have been a huge demonstration proving the opposition's broad support, failed to materialize on July 10. Well-armed police used barricades and tear-gas to prevent those who did turn up from reaching the demonstration site, and unlike earlier, there was very little violence.

By contrast, on July 8, 20,000 workers staged a pro-government demonstration, beating the ban which became effective the next day.

Delvalle's thus succeeded in heading off further violence. However, President Delvalle has shown he is susceptible to pressure. Delvalle first capitulated to U.S. pressures when he agreed to hold investigate the hysterical charges brought against General Noriega by his former second-in-command, the lunatic mystic Roberto Díaz Herrera. He also agreed to the government-opposition mediation of Archbishop Marcos McGrath, one of whose claims to fame is that he signed the infamous "Inter-American Dialogue" manifesto of Sol Linowitz and friends, which advocates "selective drug legalization."

At the same time, Delvalle held out an offer to negotiate with the opposition, which was flung back in his face by the drug-linked oligarchs who embody the opposition. Christian Democratic leader Ricardo Arias Calderón responded, "I'm willing to talk to anyone about when General Noriega will leave, and that's about it." Arnulfo Arias, the octagenarian Nazi and murderer who seeks to return to the presidency on the sails of the U.S.-sponsored opposition movement, declared only that the goal was to "put an end to this repressive regime" and that "everything is permitted to topple" it.

'Made in U.S.A.'

The fact is that no one in Panama is fooled by the manufactured image of the so-called "democratic opposition." The documented involvement of U.S. Ambassador Arthur Davis in the anti-government machinations, the U.S. Senate's "resolution" effectively demanding Noriega's ouster, are part of the story. In fact, the entire opposition movement was forged by the National Endowment for Democracy (NED a/k/a Project Democracy), in collaboration with Jeanne Kirkpatrick and Oliver North's stable of contra-funding financiers.

According to an exposé published June 30 in the newspaper of the majority PRD party, the NED conduited funds, through the Rev. Moon's CAUSA organization in Central America and through former president and World Bank agent Nicolás Ardito Barletta, to set up the destabilization of Panama. Leading drug banker and opposition figure Roberto Eisenmann is identified as a key liaison between such destabilization specialists as Rep. (D-N.Y.) Steven Solarz and the State Department's John Maisto—both fresh from orchestrating the overthrow of Ferdinand Marcos in the Philippines—and the Panamanian oligarchy's Modelho group, the core of the so-called opposition.

The article further describes how the U.S. State Department, through the Agency for International Development (AID), funneled money through the Social Sciences Institute in Panama (identified two months ago by *EIR* as engaged in operations against the Delvalle government) to profile potential opposition leaders. Said an AID spokesman, "We sent out a number of letters to the private sector offering general financing for projects that would strengthen democracy." Once profiled, they were recruited into Modelho by Eisen-

mann, after being trotted up to Washington D.C., for meetings with Solarz and government officials, under the "strict supervision" of Jeanne Kirkpatrick. Eisenmann, according to the article, also put his recruits in touch with a group of wealthy Americans involved in Oliver North's Contra-funding operations, who began to channel funds to their newly-adopted Panamanian "Contras."

The involvement of the United States in Panama's destabilization is a matter of public knowledge. On June 28, Panama recalled its ambassador from Washington to protest what President Delvalle called "intolerable interference . . . in the internal affairs of Panama." On June 29, the Panamanian Legislative Assembly passed a resolution demanding that Ambassador Davis be declared *persona non grata* and tossed out of Panama. On June 30, demonstrators stoned the U.S. embassy and painted it with angry slogans. Even the Organization of American States gathered in emergency session to urge maintenance of good relations between the United States and Panama, and to protest "unwarranted interference in the domestic affairs of Panama." Only the United States voted against the resolution.

How far the destabilization of Panama will go remains to be seen. What is a certainty is that the United States is a guaranteed loser, and the Soviets a sure winner.

Sweden

Soviet submarines spur officers' revolt

by Göran Haglund

For the first time this year, the Swedish armed forces opened fire on a Soviet submarine on July 1, coincident with a renewed officers' revolt against official downplaying of the unceasing violations of Swedish waters. A Navy anti-submarine-warfare helicopter dropped several depth charges and launched anti-submarine grenades against an intruding Soviet vessel in the inner archipelago off Töre, Sweden's northernmost deep-water port in the Gulf of Bothnia.

The periscope and part of the hull of an intruding submarine were first seen on June 28 in these militarily sensitive waters by three fishermen, at a distance of about 100 meters. The Army was alerted, and initiated a submarine chase. Pictures of the submarine were taken by military personnel, but have not been released.

Submarine nets were placed to block the exits from the narrow waters where the vessel was detected, as the reinforced army and naval forces on the scene prepared to wait for a possibly trapped Soviet submarine either to surface or, more likely, to attempt a breakout.


The only way for a submerged vessel to reach the Gulf of Bothnia from the Baltic Sea, or vice versa, to return to the Baltic Sea, is through the passage between Sweden and the Finnish Åland islands over 600 kilometers further south. As this narrow passage is strictly either Swedish or Finnish territorial waters, relevant forces were ordered to intensify their surveillance of this area, too. Yet despite these moves, no further sign of the sub has been detected since its original sighting.

Nuclear mines?

Asked for comment on the purpose of Russian submarine incursions into Swedish waters, an experienced British officer said that Sweden—whose neutral government is signaling political softness toward Moscow—is an ideal training ground for submarine crews assigned to placing nuclear mines in enemy ports and defense facilities. The mines could then be activated by long-wave radio control.

In the event of Swedish detection of such activity, the

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