

Panama Report by Carlos Wesley

Will Canal treaties be rescinded?

The reason for the campaign to hang the "drug trafficker" label on Noriega gets more and more obvious.

Former Reagan administration officials are calling for the United States to unilaterally rescind the Panama Canal treaties and to keep its troops and military bases in Panama. This confirms charges by the head of Panama's Defense Forces (PDF), Gen. Manuel Noriega, and by Panamanian President Manuel Solís Palma, who told the U.N. General Assembly Oct. 27, that the campaign to discredit Noriega by branding him a "drug trafficker" was because the recent arms limitation agreement between the Soviet Union and the United States "increases the importance of military installations located in strategic sites" such as Panama.

In the *Washington Times* Oct. 11, former Associate Deputy Attorney General Bruce Fein wrote that the U.S. "should maintain its 12,000 military personnel and sovereignty in the Canal Zone" indefinitely. "That action would be justified under the Canal Treaty to vindicate the right that the Panama Canal shall remain open, neutral, and accessible," Fein stated.

Adm. Thomas Moorer (ret.), a member of the Foreign Intelligence Advisory Board in the first Reagan administration, is circulating a letter calling for a suspension of the Canal treaties. Moorer is a colleague of Henry Kissinger at the Center for Strategic and International Studies (CSIS) at Georgetown University. His letter, put out by the Center for a Free Society, which he chairs, claims "the nation of Panama is crumbling," and gloats, "The corrupt government of Panama has given us the chance to finally undo the stupid, liberal give-away of the Panama Canal."

Earlier, Maj. Gen. David S. Parker (ret.), in the December 1987 edition of *Armed Forces Journal*, had argued that it costs too much to give up military installations in Panama, and called for installing a "democratic" government in that country, that would be willing to renegotiate the treaties to allow for a continued U.S. presence. The U.S. Congress is considering a bill that would forbid the withdrawal of American troops from Panama in 1999, as mandated by the treaties.

In fact, the only violations of the Canal treaties so far have all been by the United States. Since the spring, the Reagan administration has unilaterally suspended payments of Panama's share of Canal revenue. In July, the Panamanian members of the Canal board of directors—which is supposed to have the final word on Canal operations and management—were unable to take part in the quarterly meeting, when the venue was transferred to New Orleans, and their aides were denied U.S. visas. The treaties call for the meetings to be held in Panama. The Panamanian members of the board were not even given a copy of the agenda nor officially notified of the most recent meeting, again held in New Orleans, Oct. 12-13.

There are increasing signs that the Soviets have given Washington the go-ahead to oust Noriega. They want to get their hands on the bases themselves. The Soviet proposal is that the Canal be "demilitarized" and placed under international control. This is in line with the recent Soviet proposal to volunteer troops for a U.N. peace-keeping force in Central America and other hot-spots throughout the world.

When it was announced Oct. 1 that the Soviets would sign the Panama Canal treaties' Neutrality Clause, which is supposed to guarantee that the Canal remains open at all times to all nations, the U.S. State Department promptly issued a statement through its embassy in Panama claiming that "the Soviet Union's adherence to the Neutrality protocol" means that it sanctions any U.S. military intervention in Panama to protect Canal security, reported the daily *La República* Oct. 10.

The disinformation campaign that has been the main weapon to get Noriega and the PDF out and keep the U.S. bases in, heated up again with the announcement of the indictments against the Bank of Credit and Commerce International (BCCI) and the arrest of several of the bank's officials for laundering drug funds. The media trumpeted that bank officials had sworn that Noriega had used their services to launder illegal funds, and that Amjad Awan, a Miami-based officer, was "Noriega's personal banker." In fact, BCCI officials said no such things, nor did the law enforcement officials responsible for the indictment, which did not include Noriega.

The media were in such a hurry to pin the BCCI rap on Noriega, that they could not get their facts straight. While the *Washington Post*, which claimed it was quoting from official transcripts, said that "Noriega's account" had "as much as \$20 million, maybe \$25 million," the *Washington Times* on the same day, Oct. 13, quoting from the same transcripts, said that the accounts had "\$40 million to \$50 million."

It appears that the source the media were relying on for implicating Noriega in the BCCI scandal, was John Kerry, the Massachusetts Democratic senator, who was engaging in damage control (see article, page 66).