

February 12, 1988

## WASHINGTON'S NINE-POINT AGENDA FOR THE PANAMA PROBLEM

### INTRODUCTION

By indicting General Manuel Antonio Noriega, the unelected Panamanian military strongman, two federal grand juries in Florida last week drew attention to what is perhaps Central America's most serious problem--Panama's mounting domestic turmoil and its strained relations with the United States. There are calls inside Panama for the resignation of the country's top leadership, mass political demonstrations, general strikes, ruthless police repression, forced exile, censorship of the press, and arbitrary arrests. Noriega's dictatorial control over Panama's elected civilian government, headed by President Eric Arturo Delvalle, has completely discredited and delegitimized the nation's political processes.

Panama's internal shakiness and Noriega's desperation jeopardize major U.S. regional security interests. This became clear this week when Noriega, apparently retaliating for the federal indictments, denounced the U.S. for "aggression" and demanded that the U.S. forces get out of Panama. At stake in Panama's turmoil are thus the U.S. Army, Navy, and Air Force bases and even the lives of U.S. citizens living in Panama. With Nicaragua's pro-Soviet and pro-Cuban regime rapidly expanding its military power, Panama is at greater risk than ever from interference by regional communist insurgents.

**America's Gibraltar.** The most fundamental U.S. security concern obviously is the Panama Canal. This hemisphere's strategic equivalent of Gibraltar, the Canal is a military asset of immeasurable importance to the U.S., allowing U.S. Navy vessels to move swiftly between the Atlantic and Pacific Oceans. The Canal also enables shipping to move quickly and inexpensively between the east and west coasts of the U.S. For almost all of the Canal's history, of course, it remained safely in U.S. hands. In 1977, however, the Carter Administration signed the Panama Canal Treaty and ceded U.S. control over the strategic choke-point.

The premise of the treaty was that a cooperative relationship between the U.S. and Panama would be maintained. The Treaty sought to guarantee that the waterway always would remain secure and neutral. American commercial and military vessels, as well as ships from other nations, were to be assured safe and non-discriminatory passage. Yet even at the time of the Treaty's signing and its troubled Senate ratification, these assumptions were suspect. Today, in light of Panama's increasing instability, they clearly cannot be taken for granted.

**Fragile Panama Canal Treaty.** Noriega's February 8 request of President Delvalle that the U.S. Southern Command be removed from Panamanian territory highlights the fragility of the Panama Canal Treaty. The Treaty permits U.S. forces to remain in Panama until the year 2000. Even after that, base rights could be negotiated in a manner similar to U.S. agreements with other nations. Thus any attempt to oust U.S. military personnel would be a violation both of international law and the 1977 Treaty. Any such violation would require Washington to consider the implications of intervening in Panama, as well as reconsider the security implications of removing its troops at the end of 1999. The U.S. cannot allow Noriega to renege on the Canal Treaty and force the premature close of the Southern Command.

Worsening bilateral relations, combined with increasing political, economic, and social tensions, must prompt Washington to reevaluate U.S. policy toward Panama. Washington cannot allow a nation of such key strategic importance to self-destruct. The longer Noriega remains in power, the slimmer are the chances for a peaceful resolution of the conflict and a transition to democracy. Panama's military, the Panamanian Defense Forces or PDF, will have to be removed from the political decision-making process before true democratization can take root.

**A Nine-Point Agenda.** To protect U.S. security and encourage the emergence of democracy, Washington should:

- ◆◆ Maintain the sugar quota suspension and other economic sanctions on Panama imposed by the U.S. Congress last December.
- ◆◆ Pledge that U.S. economic and military aid will resume when Panama makes such democratic reforms as freedom of press and free elections.
- ◆◆ Urge the World Bank, International Monetary Fund, and Inter-American Development Bank to suspend aid to Panama temporarily.
- ◆◆ Encourage pluralistic political development through the guidelines established by Panama's key opposition umbrella organization, the National Civic Crusade. These guidelines call for ousting Noriega and for establishing an interim democratic government, which would prepare Panama for free and fair elections scheduled for May 1989.
- ◆◆ Authorize the U.S. military informally to identify pro-democratic, anti-Noriega factions within the PDF.
- ◆◆ Encourage the Panamanian Catholic Church to play a greater role in democratization.

- ◆◆ Appoint a special U.S. envoy to assist with negotiations for a democratic transition.
- ◆◆ Encourage other Latin governments to help remove Noriega from power.
- ◆◆ Consider options to assure a continuing U.S. military presence in Panama.

## RECENT DEVELOPMENTS IN U.S.-PANAMANIAN RELATIONS

The current wave of tensions between the U.S. and Panama began to gain momentum in 1986. By that time, Noriega had consolidated his power base and assumed control over the civilian political structure. He had been chief of Panamanian intelligence for ten years, gaining influence through his close association with former Chief of Government, General Omar Torrijos Herrera. Noriega had moved quickly up through the PDF ranks using sensitive inside information and blackmail. By August 1983, he was Commander in Chief of the military. Two years later, Noriega made the move that brought him to the pinnacle of Panamanian power; he engineered the replacement of President Nicholas Ardito Barletta by Vice President Eric Arturo Delvalle. Since Delvalle was easier to manipulate than his predecessor, Noriega and the PDF could infiltrate and assume control over Panama's civilian political structure. Delvalle's role, as figurehead President has helped mask the reality of Noriega's absolute dictatorial control over the nation.

**Anti-Yanqui Mouthpiece.** Delvalle has served as a mouthpiece for Noriega and the PDF. He has been blaming Panama's political and economic troubles on the "agents of North American imperialism and conservatism," who he says have interfered in Panama's internal affairs in order to renege on the Panama Canal Treaty. Thanks to Noriega and the PDF, this "anti-Yanqui" hostility has gone far beyond words. PDF soldiers have instigated anti-American protests, destroyed U.S. property, arrested and roughed-up American servicemen, detained American diplomats, and expelled U.S. citizens. Most of this violates the Panama Canal Treaty.

On June 30, 1987, for instance, Noriega assembled and orchestrated a 5,000-strong mob which attacked the American Embassy in Panama City, doing more than \$100,000 in damages. On September 13, the Embassy's economic counselor, David Miller, was detained and held by PDF forces for eight hours in violation of diplomatic immunity. Then on October 7, the PDF arrested, beat, and held incommunicado nine U.S. servicemen. On the 15th of that month, U.S. Embassy military attache Colonel Charles Stone was detained and deported without being allowed even to return to his residence to notify his family or pack some clothes. On December 2, Noriega ordered the expulsion of the U.S. Agency for International Development (AID) staff and their dependents. And on January 9 and 18 of this year, *Washington Post* and *Miami Herald* reporters were detained by PDF officials and then rudely expelled from the country.

## PANAMA'S CHAOTIC POLITICAL SITUATION

### Noriega under Fire

Political, social, and economic tensions mounted in Panama as a result of the June 7, 1987, allegations by former-PDF second-in-command and one-time Noriega friend Roberto Diaz Herrera. He accused Noriega of brutal political murder, election fraud, drug trafficking, money laundering, gun running, and selling U.S. secrets and technology to Cuba's Fidel Castro and Libyan dictator Muammar el-Qadhafi. These charges seem plausible to Panamanian observers. They point out that Noriega, whose official annual salary does not exceed \$50,000, owns five homes in Panama, a luxury Paris apartment, and a French Alps villa and has amassed a fortune estimated at \$500 million.<sup>1</sup>

### Internal Divisions and Growing Corruption

The cohesiveness of the PDF command appears to be disintegrating. Infighting by both military and civilian officials is mounting. As more members of the ruling elite come forth with damaging information and accusations, the government will lose what credibility it has, while that of the opposition likely will increase.

Noriega's involvement with narcotics and terrorist organizations makes him particularly dangerous. According to officials at the U.S. Drug Enforcement Agency, Panama has developed into one of the world's foremost drug-profit laundering centers. Panama's bank secrecy laws, among the toughest in the world, mask these illegal transactions.<sup>2</sup> A large percentage of these drug profits finance not only larger drug operations, but also regional communist insurgencies. Guerrilla groups in Colombia and Peru use the drug profits to purchase weapons, airplanes, boats, protection, and favors. It is Noriega's involvement in these affairs that led to the indictments by two U.S. grand juries.

### The Civic Crusade

Last June 10, the Panamanian National Civic Crusade was launched to coordinate the anti-Noriega protest. The Crusade represents more than 200 organizations including civic clubs, private enterprise associations, industry and agricultural groups, student groups, the Catholic Church, and organizations of doctors, lawyers, teachers, and other professions. According to Aurelio Barria, a Civic Crusade leader, the Crusade's goals are to: 1) remove Noriega from power, 2) depoliticize the Defense Forces, 3) restore constitutional guarantees, and 4) prepare the country for the democratic elections scheduled for May 1989.

Panama's five key democratic opposition parties, while not officially part of the Civic Crusade, fully back its agenda. In addition, as much as 75 percent of the population is believed to be firmly behind the Crusade in its efforts to oust Noriega

---

1. *U.S. News and World Report*, July 20, 1987, p. 29.

2. *The Washington Post*, November 18, 1987, p. 16.

and democratize Panama. Only 13 percent of those polled last August felt that Noriega should remain in power.<sup>3</sup>

The Civic Crusade, committed to nonviolence and moderation, is pressing the Noriega regime through rallies, protest marches, and strikes. The Crusade is controlled by moderate democrats who hope to prevent leftist and radical groups from gaining influence.

### **Panama's Economic Decline**

Panama is experiencing massive economic stagnation, expanding unemployment, social inequality, and a rapidly growing foreign debt. Panama's central bank reserves are close to depletion, and its trade deficit is rising sharply. The U.S. aid suspension and a cancelled \$50 million structural adjustment loan from the World Bank are placing tremendous pressure on the Panamanian economy. From last December to January, Panama's central bank reserves fell from \$44 million to \$21 million. Panama, with its population of 2.3 million, has the highest per capita foreign debt in the world; it totalled \$4.8 billion at the end of 1986. Once considered to be a prosperous nation, Panama is on the verge of economic collapse. As political tensions grow, the economy will continue to deteriorate.

### **A Nation Under Siege**

Panama has been under an on-again, off-again state of siege since June. The nation is suffering its longest and most dramatic suspension of basic human rights and constitutional guarantees. The PDF has answered the accusations against its leader with a blatant recourse to violence and repression.

Under the Noriega regime, dozens of Panamanians have been forced to leave the country and several have been killed in the political violence. New PDF-sponsored laws make most forms of anti-government activity illegal. Noriega's shock troops, known as "dobermans," are armed with tear gas, plastic shields, rubber hoses, and shotguns. Their two favorite practices: shooting bird shot and tear gas at unarmed civilians. Since June, over 1,500 protestors and opposition members have been arrested. Many of those arrested are not allowed legal representation or a fair trial. To make matters worse, starvation, isolation, rape, beatings, torture, and other forms of abuse commonly occur in the PDF prisons.

Besides using political violence and intimidation as a means of curbing the pro-democratic forces, the PDF also censors the press. On July 26, Defense Force troops raided and shut the offices of the newspapers *La Prensa*, *El Siglo*, and *Extra* as well as those of *Radio Mundial* and *Radio KW Continente*. Noriega justified these measures by saying that CIA-sponsored journalists were issuing calls for sedition. Most of the Panamanian media remain firmly controlled and restricted by the government. One result of this is that local news coverage has been turned into a barrage of pro-government and anti-U.S. propaganda and disinformation.

---

3. *Foreign Affairs*, Winter 1987, p. 330.

On January 20, however, *La Prensa* was allowed to resume publication. This measure, along with a January 15 grant of amnesty for Panamanian political exiles, was viewed as an initial but limited victory for the Civic Crusade and the rest of the opposition.

Besides severely restricting the press, Noriega and his supporters have taken complete control of the judiciary. They have enacted new laws designed to justify random, arbitrary, and unprovoked arrests, and they have restructured the government to weed out opponents. In mid-October, the PDF closed down the offices of Vice President Roderick Esquivel as punishment for his outspoken criticism of Noriega.

## **U.S.-PANAMANIAN SECURITY INTERESTS**

### **The Panama Canal**

The Panama Canal obviously is vital for U.S. combat and support shipping, particularly in periods of international turmoil. The Canal has become increasingly important because of growing tensions in the Caribbean Basin. A political crisis in Nicaragua, El Salvador, or Colombia would require immediate U.S. access to the waterway. The Panama Canal provides the U.S. Navy with operational flexibility as well as rapid mobility. It reduces the need for an increase in the number of regional naval facilities because it allows vessels to move from one ocean to the other so quickly. The only option to the Canal is to make the 13,000-mile voyage around the Tierra del Fuego, vastly increasing financial costs, safety risks, and time. Example: Were the Canal closed, a ship steaming at 22 knots would take about 24 days to sail from New York to San Diego. Using the Canal, the ship could make the journey in just ten days.

The Panama Canal also plays a key role in international trade and commerce. Were the Canal closed, the short-term disruptions to world maritime trade would be severe. Transport costs would rise enormously and consumers would feel the pinch of higher prices. The U.S. is the waterway's chief client; in fiscal 1985, some 68 percent of the cargo passing through the Canal moved either to or from the United States--about 18 percent of U.S. exports and 10 percent of its imports pass through it each year. Such commerce is increasing because of expanded U.S. trade with the Pacific Basin, as well as an overall growth in worldwide commercial traffic.<sup>4</sup>

**Room for Battleships.** Some critics claim that the Panama Canal is not as important strategically as it once was. First, they say that the waterway's locks, with their 65,000 dead weight ton (DWT) limitations, are too small to accommodate large vessels such as aircraft carriers. Second, they say that the Canal is extremely vulnerable to military attack or sabotage that could disable it.

To be sure, the giant U.S. aircraft carriers cannot traverse the Canal. The Navy addresses this problem by basing its carrier forces at Norfolk on the east coast

---

4. *Armed Forces Journal International*, December 1987, p. 55.

and San Diego, on the west coast. In any event, it is Navy policy to keep at least five carriers on station at any given time, while the others are positioned strategically across the globe as international pressures arise. Yet all other U.S. Navy vessels, ranging from destroyers to battleships, can be funneled through the Canal, as can vital resupply and support shipping. To be sure, last year only 32 U.S. naval vessels used the Canal. This number, however, obviously would soar dramatically during a time of crisis.

The Canal's vulnerability has been exaggerated. A surprise attack, by conventional weapons, probably would inflict only limited and temporary damage. A large-scale military campaign against the waterway would be detected and countered. Furthermore, a continuing U.S. military presence at the Canal would help deter such a strike in the first place. U.S. troops have successfully defended the Canal against attack for almost 75 years.

### **U.S. Military Bases**

Panama hosts the joint staff headquarters of the U.S. Southern Command, which coordinates all U.S. military activity in Latin America and oversees essential counterinsurgency training programs. The Command consists of 9,200 men and women and is important in regional military planning and intelligence gathering. The U.S. also has Navy, Air Force, and Army bases in Panama itself. The airstrip at Howard Air Force Base, on the Panamanian Pacific coast, is one of only two U.S.-controlled runways south of the Rio Grande; the other is in Puerto Rico. Near the Pacific entrance of the Canal is Rodman Naval Base, used for refueling and resupplying Navy vessels. During times of crisis these bases are a strategic forward command area for training, communications, reinforcement, and operations, thus adding to U.S. military flexibility. The proximity of these installations to such potential trouble spots as Nicaragua, Cuba, and Colombia makes them very valuable.<sup>5</sup>

**Cloud After 2000.** The cloud that hangs over U.S. military operations in Panama is the 1977 Panama Canal Treaty. The Treaty mandates that: 1) no U.S. troops are to remain in Panama after the year 2000; 2) the Canal Zone is to be incorporated into Panama; 3) U.S. Panama-based communications facilities are to be phased out; 4) all U.S. training in Panama of Latin American soldiers is to be halted; and 5) management and operational control of the Canal is to be turned over to Panamanian authorities.

These provisions may injure U.S. security interests in Latin America; the Canal will become more vulnerable to attack and regional intelligence and surveillance efforts will be jeopardized. Without the U.S., the Canal will operate less efficiently and it will become more vulnerable to sabotage and other actions that could shut it.

Many PDF officials would like all U.S. forces to leave Panama in the year 2000. The PDF apparently is eager to take over the barracks, quarters, clubs, and other amenities which the U.S. troops would leave behind. Yet, other Panamanians

---

5. See *Ibid.*, pp. 55-60.

will suffer from a U.S. military pull-out. The economic cost to Panama would be at least \$200 million a year.<sup>6</sup>

**Permanent Right.** The Panama Canal Treaty, however, also gives the U.S. the "permanent right" to position troops in Panama and to take military action to guarantee the neutrality of the Canal if it is ever threatened. An unfriendly government in Panama could violate these provisions and jeopardize U.S. security interests in the region. The best means of securing U.S. access to the Canal is for democracy to return to Panama. An agreement will have to be reached between Washington and a new Panamanian government that commits both sides to keeping the Canal secure and neutral. Washington also will have to seek agreements reaffirming the U.S. right to maintain troops in the Canal Zone.

Noriega's recent call for the ouster of the U.S. Southern Command casts doubt on Panama's desire to comply with the Canal Treaty. Noriega's attempts to heighten nationalistic feelings and create an anti-U.S. backlash could threaten U.S. security interests severely. Washington must take whatever precautions necessary to guarantee the legal right to maintain U.S. troops in Panama until 1999 and of secure, unhindered passage through the Canal.

### **The Nicaraguan Threat**

Panama is only a 150-mile tank ride or a ten minute Mig-23 flight across Costa Rica from the Nicaraguan border. The 125,000-man Sandinista army thus poses a serious threat to internal Panamanian stability and to the Canal. Sandinista-sponsored guerrillas, moreover, could infiltrate into Panamanian territory easily through porous Costa Rican defenses. If the democratic resistance in Nicaragua were disbanded, then the Sandinistas could turn their attention toward spreading their revolution throughout the Central America.

### **Soviet Objectives**

Panama, of course, would be a valuable addition to the Soviet camp. Predictably, therefore, Soviet efforts at influencing events in Panama have increased rapidly since the signing of the Panama Canal Treaty. About 1,000 Panamanian youths now are studying in Eastern Bloc countries, significantly more than in 1977.<sup>7</sup> Even though more Panamanians still study in the U.S., the steady rise in enrollment in Eastern Bloc institutions is alarming.

The Soviets have taken advantage of the current tensions between the U.S. and Panama. Moscow claims that "reactionary" and "expansionistic" forces in Washington are attempting to exert "imperialistic" pressures on Panama. The Soviets, along with the PDF leadership, have been labeling the Civic Crusade as "CIA influenced." More disturbing have been the recent Panama-Soviet agreements on Panamanian landing rights for Soviet aircraft and ports for Soviet ships. Noriega

---

6. *The New Republic*, January 25, 1988, p. 23.

7. *Current History*, December 1986, p. 423.



has recently granted the Soviet airline Aeroflot landing rights and is now permitting Soviet ships to use dry dock facilities throughout Panama.

### **The Cuban Narcotics and Terrorist Connection**

Noriega has given Fidel Castro information on U.S. troop movements and contingency plans. Noriega has helped Cubans to assist Latin American leftist revolutionaries, drug traffickers, and terrorists. There is a clear connection between Noriega's involvement in international drug trafficking and the PDF's ties to South American narco-terrorist groups. Overflights by U.S. Air Force TR-1 surveillance planes have revealed aircraft of the Colombian M-19 Marxist guerrillas unloading drugs at Panamanian airstrips under the control of the PDF. These planes then load weapons bound for Colombian revolutionaries.

In 1982, as many as 100 Colombian M-19 terrorists were flown from Cuba to Panama after being trained in warfare and subversion. The PDF armed them, provided them with safe houses, and helped them through the Canal to Colombia's west coast.<sup>8</sup> Noriega has been trying to improve diplomatic and economic ties with nations heavily involved in terrorism such as Libya, Iran, and Syria. He has sent personal aides to meet with Colonel Qadhafi in an effort to improve bilateral ties and acquire Libyan financial support.<sup>9</sup>

Panamanian banks, in which Noriega has heavily invested, meanwhile have laundered large amounts of drug money for the guerrillas and the South American drug cartels. The U.S. Treasury charges that approximately \$600 million of the \$1 billion worth of foreign deposits that pass through Panama each year is drug money. Former Panamanian diplomat and security advisor, Jose I. Blandon, who now lives in the U.S., states that these charges can be corroborated.

### **NORIEGA AND U.S. INTERESTS**

The strains between the U.S. and Panama continue to increase. Noriega and Panamanian President Delvalle are continuously blaming their troubles on "Yanqui hostility" and on the so-called agents of imperialism. They are trying to convince their fellow Panamanians that conservative forces in Washington have instigated Panama's political and economic turmoil in an effort to undermine the Canal Treaty and make Panama subservient to the U.S.

In addition to his closer ties with Moscow and his overtures to Libya, Noriega has offered to aid the communist guerrillas (FMLN) in El Salvador and to provide Nicaragua with intelligence information on U.S. military movements in the region. This is confirmed by Sandinista defector Roger Miranda Bengoechea, a former top aid to Nicaraguan Defense Minister Humberto Ortega Saavedra.

---

8. *Ibid.*, p. 431.

9. *The New York Times*, December 14, 1987, p. 13.

Noriega has allowed Cuban companies to set up fronts in Panama through which they purchase U.S. high technology products, whose sale to Cuba is banned by U.S. law. Panama also has been acting a secret middleman selling embargoed Cuban goods such as fruit and seafood to the U.S., thereby providing Castro with much needed hard currency. Panamanian real estate brokers, meanwhile, report a sharp increase in rentals and sales to Cuban government officials.

## **U.S. POLICY TOWARD PANAMA**

U.S. policy toward Panama should be designed to protect U.S. security interests and to assist Panama's return to democracy. To accomplish this:

- 1) **Washington should continue its economic pressure on the Noriega regime.** Last July, the Reagan Administration froze the U.S. economic aid program to Panama. Last December, Congress voted a near total cutoff of U.S. economic and military aid. Before this vote, Panama was scheduled to receive \$33 million, including \$6.5 million in military assistance. Further congressional action is needed to continue these sanctions through the upcoming year. The December 1987 suspension of the Panamanian sugar quota should be maintained. Such action will penalize Panama's corrupt rulers. Many of them are heavily involved in the sugar business; President Delvalle's family fortune is based almost entirely on Panamanian sugar exports.
- 2) **The U.S. should pledge that economic and military aid will be reinstated** as soon as Panama makes such fundamental political reforms as free elections, guaranteeing the right to a fair trial, and freedom of speech.
- 3) **International lending institutions and development banks should suspend aid to Panama temporarily.** The U.S. should use its voting power in the World Bank, the International Monetary Fund, and the Inter-American Development Bank to ensure this.
- 4) **Washington should back the National Civic Crusade's agenda.** Particularly attractive to Washington are the Crusade platform planks calling for removing Noriega from power and removing the Panamanian Defense Force officials from government policy-making positions previously held by civilians.
- 5) **Washington should authorize U.S. military commanders in Panama to explore the possibilities of working with anti-Noriega, pro-democratic elements within the PDF.** The U.S. needs to discourage a new Panamanian government from initiating an "Argentine Solution," which would severely weaken and persecute the PDF. The Argentine Solution gets its name from the trials carried out against the Argentine military after the Alfonsin administration took over in 1983. No significant elements in the Panamanian society seem to want this. It would discourage the military from cooperating with efforts at democratization.
- 6) **The U.S should encourage the Panamanian Catholic Church to become more active in efforts to oust Noriega and assist in the eventual peaceful transition**

to democracy. U.S. Catholic Church officials could impress on their Panamanian counterparts the importance of such participation. The Church, because of its vast influence and power in Panama, should become more involved in organizing the opposition as well as in serving as a mediator between the two sides.

7) ~~Washington should appoint a special envoy to assist in mediation~~ between the Panamanian government and the Civic Crusade leaders. The envoy, speaking for the U.S. President, could pressure the Panamanian government to make concessions sought by the Panamanian opposition. The Civic Crusade has said that it would welcome and cooperate with such an envoy.

8) The U.S. government should ask the Latin American democracies to place greater economic and diplomatic pressure on the Noriega regime. Latin leaders need to be more outspoken in their condemnation of the Panamanian dictatorship, and they should threaten to impose economic sanctions on the Noriega regime. The criticism directed at Panama during the Acapulco Summit in late November was a good start.

9) The U.S. must protect its security interests in the Canal Zone. What is required is a new U.S.-Panama agreement expanding some provisions of the Panama Canal Treaty. This takes on a new urgency in light of Noriega's threat this week to expel the U.S. military presence from Panama. A new agreement must give the U.S. the right to station its military troops in the area and to keep the Southern Command in Panama. Washington also needs a guarantee that any future Panamanian governments will comply with the Canal Treaty and provide for safe and secure passage of U.S. ships through the waterway.

## CONCLUSION

The indictment of Noriega and his response to it of threatening to expel the U.S. Southern Command push Panama to the front burner of Washington's attention. The strategic importance of the Canal, the military bases, and the isthmus demands this. Panama and the Canal are to the U.S. what, in most respects, Gibraltar is to Britain. It is unthinkable that the Canal, the bases, or the isthmus be denied the U.S. for security purposes. The recent instability created by the dictatorial policies and threats of Noriega and the Panamanian Defense Forces is putting this security at risk.

Panama is suffering one of the most intense periods of political, economic, and social turmoil in its history. A popular opposition movement has been created in the form of the Civic Crusade, whose main goal is the removal of Noriega from power. The Panamanian people have taken to the streets demanding justice, morality, and political pluralism. The heated and violent confrontation between the two sides seems only to be getting worse.

The U.S. and the Latin American democracies must act quickly to assure the transition from dictatorship to democracy. If nothing is done, crises will continue to mount in Panama, leading to a sharp increase in public disorder, economic chaos,

and possibly revolutionary violence. These are alternatives that neither the Panamanian people nor the United States can tolerate.

Michael G. Wilson  
Policy Analyst

*All Heritage Foundation papers are now available electronically to subscribers to the "NEXIS" on-line data retrieval service. The Heritage Foundation's Reports (HFRPTS) can be found in the OMNI, CURRNT, NWLTRS, and GVT group files of the NEXIS library and in the GOVT and OMNI group files of the GOVNWS library.*