

Raúl Benítez Manaut

PANAMA: U.S. PRESSURES FOR CHANGE IN CANAL TREATIES

The mass media and public opinion in general have turned their attention to the political crisis in Panama and to the conflict between General Manuel Noriega and the United States. Without a doubt, Panama occupies an important position in U.S. geopolitical interests both because of the Panama Canal and the complex of military bases located there which serve as headquarters to the U.S. Southern Command. The country's proximity to Central America and its active role in the Contadora Group are other factors that make it of strategic importance to the United States.

Current Panamanian strongman, General Manuel Antonio Noriega is the focus of a multitude of accusations. He has been charged with such dissimilar activities as having trained Nicaraguan *contras*, given unconditional support to Daniel Ortega's government, provided arms to the Salvadoran guerrillas and headed a network to smuggle cocaine into the United States. The principal charge and subject of a two law suits brought in Florida is his alleged involvement with the Medellín Cartel, the major Colombian drug-trafficking organization. Those proceedings make it impossible for Noriega to travel to those countries with valid extradition treaties with the United States.

Panama's current political crisis first erupted in June 1987 on the heels of public declarations by Colonel Roberto Díaz Herrera. However in order to understand the effects of the declarations, it is important to point out that Panama has one of Latin America's most fragile economic and political systems.

Since its independence in November 1903, the country's economy has been controlled by the United States. Since construction was finished on the canal in 1914, Panama's economy has been structured around providing services to the canal. After World War II, the Canal Zone and the establishment of the U.S. Army's Southern Command Headquarters gave the country a new strategic-military role. Until the Torrijos-Carter Treaty was signed in 1977 and implemented in 1979, the Southern Command housed 22 bases, garrisons and military installations: 11

belonging to the U.S. Army, seven to the U.S. Navy, two to the U.S. Air Force and two other bases used jointly by the different branches of the U.S. military. It was also home to the famous School of the Americas, where 82,965 officers from all over Latin America were trained between 1950 and 1979.¹

A new element was introduced into the Panamanian economy in the 1970s: international finance capital. This was facilitated by the fact that Panama does not have its own currency and bank deposits are freely converted to dollars, as well by the lack of restrictive legislation or banking controls. Approximately 130 banks from around the world now have branch offices in Panama. Money laundering is an important part of their operations, a service much in demand as a byproduct of South American cocaine production and its sale in the United States.

The principal obstacle for changing the treaties lies in the legacy of Torrijos, still present in Panama's army and government

Given the fragility of an economy based on commercial and financial services, the Panamanian government turned in the 1970s to foreign loans to keep the country afloat. Today Panama has one of the highest per capita debts in the world.

In political terms, the 1960s are key to understanding the events unfolding today. There was a resurgence of nationalism after a bloody massacre in January 1964, when a group of high school students attempted to scale the walls that separated the Canal Zone from Panama City. That incident eventually led to a *coup d'état* by a group of National Guard officers in 1968 against President Arnulfo Arias.

Omar Torrijos was an important figure in the coup. Torrijos's charisma and his determination to replace the infamous Hay-Bunua-Varilla Treaty—a 1903 accord that

Researcher at the Latin American Studies Center at UNAM.

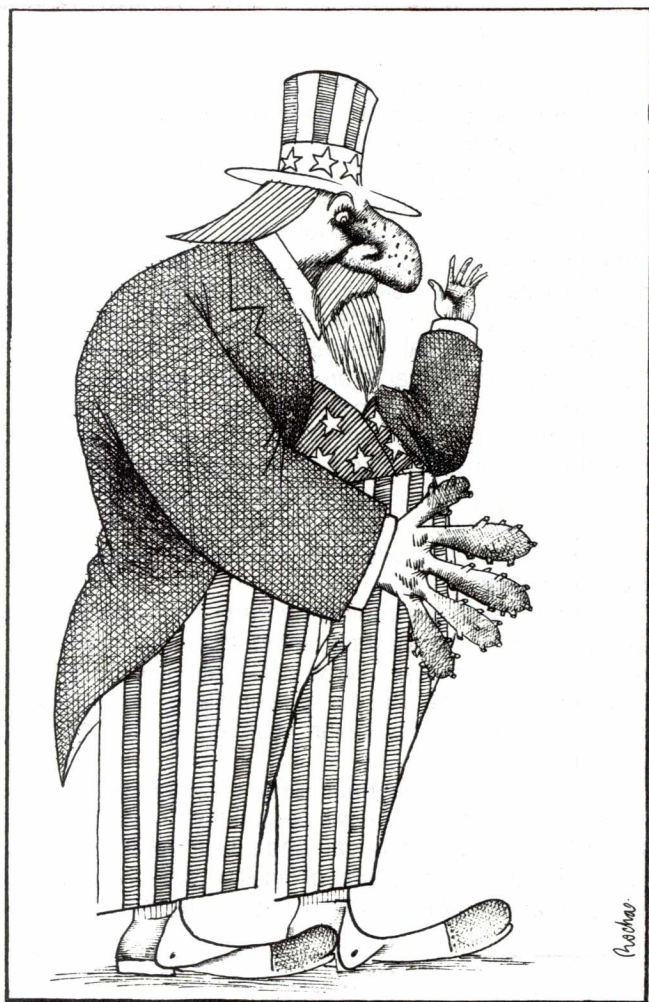
granted the United States the concession to construct the canal and control the adjacent zone— made him one of Latin America's most important leaders.

Changes in the Treaties

The Torrijos-Carter treaties requires the United States to turn the canal installations over to Panama, return the territory in the Canal Zone to Panama and dismantle its bases and other military installations by December 31, 1999. The treaties also provide that the canal will be neutral and will be defended by the Panamanian army.

Torrijos's charisma and his determination to replace the infamous Panama Canal Treaty of 1903 made him one of Latin America's most important leaders

One major objective of current U.S. pressure on the Panamanian government is to win changes in the treaties, which would allow the United States to preserve its mili-



Big Stick

tary presence in the country beyond the year 2000. The United States would be willing to cede Panama the rights to administer the canal and to return Canal Zone lands where there are no bases in return for a continued U.S. military presence.

The principal obstacle for changing the treaties' texts lies in the legacy of Omar Torrijos which is still present in the Panamanian army and the government. Within the armed forces, from the command structure down through the officers corps and the troops, there is a widespread consciousness of the need to hold firm to the current treaties and resist U.S. pressures. The U.S. formula for achieving its objectives is based on the rapidly growing disenchantment with Noriega and the governing Democratic Revolutionary Party (PRD). There are persistent comments that Nicolas Ardito Barletta won the May 1984 elections through fraud. Considered a trusted ally of the United States, it would seem that Barletta's 1985 resignation kindled U.S. discontent and set the stage for the recent charges against Noriega. The United States seeks to strengthen the right-wing opposition in the 1989 elections, hoping for a government more sympathetic to the idea of a new accord on the issue of military bases.

The "Narcoterror" Charge

Panama's current political crisis dates back to the July 31, 1981 death of Omar Torrijos in a plane crash that even Torrijos' family members blame on the CIA. Since 1981, Panama has had six presidents (Aristides Royo, Ricardo de la Espriella, Jorge Illueca, Ardito Barletta, Eric Delvalle and Manuel Solís Palma) and three commanders of its armed forces (Florencio Flores, Rubén Dario Paredes and Manuel A. Noriega). Since 1968, only once—in 1984—was a president elected by a direct and universal vote. These facts are overwhelming evidence of the fragility and weakness of the Panamanian political system and help explain why the armed forces play such an important political role. They also help explain why Colonel Díaz Herrera's June 1987 declarations sent shockwaves through the entire society and set off the wave of protest now centered around Noriega.

The Reagan Administration has used a variety of methods to discredit, pressure and even destabilize other countries when it considers it necessary. One method is to accuse a government or specific political and military leaders of being tied to drug trafficking or of supporting "terrorist" groups. "Narcoterrorism," as it is called, is considered to be a serious threat to U.S. security, and the United States has been willing to confront it with military, legal, political and diplomatic means. Nonetheless, within the umbrella charge of supporting drug trafficking, there is no correlation between the importance of the phenomenon in each country and the pressure brought to bear against its government. For example, while Colombia and Bolivia are the most important drug producing and exporting countries, much more drastic sanctions and pressures have been placed on Mexico and Panama. Charges of drug trafficking have been and are being used to pressure Mexico and Panama to cede ground on certain positions, especially in their work on behalf of dialogue and peace in Central America and in their opposition to U.S. low intensity warfare in the region.

It is important to recall that the first Central America peace plan was actually promoted by Omar Torrijos in May



Erick Arturo del Valle

1981, shortly before his death. Later, Panama sponsored and hosted the Contadora Group in January 1983 and on numerous occasions it has firmly supported the Sandinista government in Nicaragua. All of this has irritated the Reagan administration. At the same time, the administration's discourse in favor of democracy has had an impact on Panama. The call for democracy may have a debilitating effect on the *de facto* power enjoyed by the armed forces at a time the United States considers it important to support right-wing forces and political parties elections are scheduled for 1989.

The war in Central America has played a crucial role in Panama's political crisis. Because of the conflict, the United States will seek to prolong its presence in Panama unless the Esquipulas efforts or other initiatives for dialogue can be made to bear fruit. This situation has brought Panama to the center of the regional crisis and its strategic importance has become even more critical.

Torrijos is Still Present

For all of these reasons, the United States opposes the continuation of "Torrijismo" in the Panamanian government and is seeking ways to use the current crisis to its advantage. On February 25, a move headed by President Delvalle and openly supported by the United States to depose General Noriega began. Delvalle was unsuccessful in the attempt and was dismissed by Panama's National Assembly which named Education Minister, Manuel Solís Palma to replace him. As a result, Panama is submerged in a process of accelerated political polarization in which former president Delvalle claims to be the country's legiti-

mate leader. Delvalle has sought protection in the Canal Zone and is heading the rightist and pro-U.S. National Civil Crusade.

It is important to recall that Delvalle was not elected by direct vote, but was named to the office by the National Assembly after Arditio Barletta was deposed. The same mechanism used to make him president was employed to dismiss him.

An alliance held together by the governing Democratic Revolutionary Party (PRD) maintains a majority in the national assembly. The PRD does not support any changes in the Torrijos Carter treaties. The issue at stake is the defense of Panama's right to self-determination and sovereignty. It is a question of support for the "Torrijista" legacy and the national assembly's decisions or support for the U.S. solution which flames political confrontation in the very heart of Panamanian society, opening the possibility for a civil war and favoring right-wing forces and a reversal of the canal treaties.

The war in Central America has played a crucial role in Panam's current political crisis

Today, eleven years after the treaties were signed, a significant part of the zone has been returned to Panama and the binational Joint Commission for the Panama Canal is operating. Nonetheless, there are 10,000 U.S. troops in the zone, housed at four bases: Kobbe, Howard, Sherman and Albrook. In addition, the United States has strengthened its military presence in violation of the spirit of the treaties by transferring part of its command structure and troops from Fort MacPherson, Virginia to Panama.

Since the political crisis exploded on February 25 after Delvalle's dismissal, there has been persistent talk of the possibility of a U.S. military invasion. Such an action would reinforce the history of military occupation of the country and could provoke a direct confrontation between U.S. Army troops and the Panamanian army, headed by Noriega. That would certainly lead to a civil war whose outcome is impossible to predict given the current political polarization.

The three factors underlying Panama's political crisis are also the most important elements for determining its resolution: the internal political polarization, the U.S. position regarding respect for the spirit and letter of the treaties, and U.S. and Panamanian policies toward Central America.

We can only hope that the Panamanian people, free from foreign interference will decide their future. And we hope that the Latin American and anti-imperialist spirit, of which Panama—despite its diminutive size—has provided a great example, will once again prevail. □

¹ Gregorio Selser, "Las bases de EE.UU. en Panamá, el destino del Comando Sur y la Escuela de las Américas", *Nueva Sociedad*, Caracas, No. 63, Nov-Dec 1982; Raúl Leis, *Comando Sur. Poder Hostil* CEAS-PA, Panamá, 1985.