

What is LaRouche's policy toward Panama?

by Gretchen Small

On Feb. 5, two U.S. federal grand juries in Miami issued indictments against Gen. Manuel A. Noriega, Commander of Panama's Defense Forces, on drug-trafficking charges. The source of the evidence cited in the indictments: two convicted drug-traffickers, and José Blandón, a former Panamanian official working under the direction of the bankers' wing of the U.S. Central Intelligence Agency.

With this, the Reagan administration has buried any U.S. war on drugs, for as long as it remains in office. By indicting General Noriega, the message has been sent around the world: "Don't work with the United States in the war on drugs, because sooner or later, you will be stabbed in the back."

Initial reports of the indictment on NBC News, three days prior to the Miami grand juries' action, linked Noriega and U.S. presidential candidate Lyndon H. LaRouche, Jr.—not coincidentally the strongest proponent of the war on drugs worldwide. LaRouche has also been a fierce advocate of Panama's national sovereignty, as his 1977 testimony on the Panama Canal treaties, excerpted in this report, shows. It is that sovereignty, and implicitly, that of all other non-superpower nations, that is at stake in the current fraudulent indictments.

U.S. Drug Enforcement Administration officials have stated publicly and privately, on repeated occasions, that General Noriega was the single most valuable collaborator in their war on narcotics in the Western Hemisphere. He has repeatedly been key to breaking international drug rings, including drug money-laundering operations, by international banks located in Panama.

No pretense has been made to hide the political nature of the indictments. In July 1987, U.S. newspapers reported that the grand juries had been initiated because the State Department, National Security Council, and part of the Justice De-

partment want Noriega out of office. Associate Attorney General Stephen Trott set himself up as "referee" of the "Get Noriega" investigations, the *Los Angeles Times* reported on Aug. 13.

The military of Panama itself will be indicted as a "criminal enterprise," U.S. media reported widely before the actual indictments were released. Fearing that an indictment that broad would backfire, "the State Department successfully intervened" to ensure that the grand jury only targeted General Noriega, the *New York Times* reported Feb. 6.

Drug-fighters in the administration attempted to stop the witchhunt. "As late as three weeks ago, some senior Justice Department and DEA officials were arguing that Panama should be praised for agreeing to cooperate in a recent international cocaine smuggling case in San Diego," the same *New York Times* article reports.

LaRouche, EIR, warned them

The indictments of General Noriega are the latest shot in a war which began over two years ago. In June 1986, *EIR* issued its *White Paper on the Panama Crisis*, in an attempt to shake Washington back to its senses. *EIR* issued an updated edition in December 1987. The report documented that it was the drug-linked banking community which sought to destabilize Panama, explained why, and revealed how the leaders of the "democratic opposition" are an integral part of the drug trade.

The report also outlined a program for the United States to help secure democracy in Panama, through a series of development projects centered around construction of a new, sea-level Canal. The United States could thus help Panama break from its economic dependence on the "offshore" economy dominated by drugs.

The *White Paper* stung the initiators of the war on Panama. The prosecution's chief witness, José Blandón, complained in a Feb. 2 radio interview broadcast in Panama that LaRouche, one "Mr. Wesley" (a co-author of *EIR*'s report), and a Panamanian named Mario Parther had convinced the Defense Forces that he and Washington were out to destroy the institution of the military itself.

In an opposition forum in Washington, D.C. in December 1987, former NSC consultant Norman Bailey (identified in the report as a key player in the attack on Panama) detailed how, exactly as *EIR* had charged, the aim was to destroy the Defense Forces as a whole. The campaign was initiated because Noriega had crossed the Establishment, he admitted.

I began the war against General Noriega, said Bailey in September 1985, when "my friend" Nicolás Ardito Barletta resigned as President of Panama.

José Blandón answers to Bailey, it is reported. Bailey's involvement reveals the broader U.S. intelligence network involved. Now a partner of former CIA director William Colby at Colby, Bailey, Werner & Associates (an investment firm described in the media as "almost like a shadow government"), Bailey told the *Washington Post* on Feb. 6 that he had provided much of the intelligence "proving" that Noriega was responsible for drug-money laundering in Panama.

But: "Bailey said that the information may not have held up in a court case," the *Post* reported.

For those who have read *EIR*'s White Paper, Blandón's charges against Noriega read like a script written to answer, point for point, the revelations therein contained.

The case of Bailey's friend Nicky Barletta gets at both the higher levels of control on the drug trade, and why the Establishment decided to crush Noriega.

Trained in economics at the University of Chicago under George Shultz in the 1960s, Barletta was the man on the ground who set up the offshore banking center in Panama in the early 1970s; it was he who ensured that the center would be "more secret than Switzerland," he proudly told the *Wall Street Journal* in 1982.

In 1984, Barletta was elected President of Panama. For Shultz, now Secretary of State, and the Bailey-Colby group, Barletta was to be the international banking cartel's "inside man" in the Ibero-American Presidents' club, assigned the task of preventing any unified opposition to International Monetary Fund policies.

Noriega's strategy

General Noriega had a different strategy. In September 1985, Noriega visited Peru, and met with President Alan García, whose organizing for common action against the related crises of debt, drugs, and terrorism the bankers feared. "We are a continent with destiny and with rights, and I have found an enormous coincidence in policies with General Noriega," García told the press after their meeting.

When opposition to his IMF austerity programs forced Barletta to resign less than a month after the García-Noriega

meeting, the bankers panicked. As Bailey admits, the decision was taken that Noriega, and Panama's military and system of government, must be overthrown.

The issue at stake in the war on Panama, centers on the role of the military. Panama's military has distinguished itself throughout the region for its insistence that "national defense is directly related to development and human well-being" (the formulation of General Noriega). It is because Noriega insists on the right of the military to ensure such development that Shultz, Bailey, et al. label him a "dictator." Bankers prefer economics left solely to ice-blooded technocrats.

In his Feb. 2 radio broadcast, Blandón threatened that Panama "will suffer an economic and financial collapse," if General Noriega, the top commanders of Panama's Defense Forces, and the present civilian government do not resign. Blandón argued that there is no use resisting. "The government's ability to maneuver politically has been virtually reduced to nothing as a result of the country's financial situation. . . I want to publicly send [President Delvalle] a message: . . . What sense is there in governing over a country's ashes?"

No one in Panama appears to be quitting, however. Calling the indictments part of an "obsessive campaign of lies" against General Noriega, Panama's Foreign Ministry denounced the "attempts by the North American administration to isolate Panama and destabilize its government." The ministry added: "The government warns that it is extremely dangerous to tax the patience, tolerance, and good faith of the Panamanian people with campaigns that could spark unforeseen reactions."

The indictment is "totally false, no more than another step in the plan to menace and terrorize nationalist leaders and Latin American patriots who dare to confront the United States," Defense Forces spokesman Maj. Edgar López stated. General Noriega called the indictment a "joke . . . a strictly political act."

Leaders of the multi-party alliance that supports the government, UNADE, united behind Noriega and the government, charging that the campaign forms part of a "large-scale attack on its economy and constitutional regime . . . part of a strategy aimed at preventing the return of the canal [to Panama] in 2000." A joint statement from the Cabinet and UNADE noted that Panama has suffered "slander, intimidation, and blackmail . . . in an effort to force Panama to yield and to bring about negotiations that will prolong foreign presence on our soil."

Thus far, the nationalists remain in control in Panama. The Soviets, however, can not be expected to sit on the sidelines, as the backlash builds against U.S. violation of Panama's sovereignty. If General Noriega were to resign, disaster is assured for the United States. With what Blandón's buddies plan for Panama, if the Defense Forces' command were to crumble, there will be nothing to stand in the way of Soviet narco-terrorist domination of the Panama Canal.