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OA/ID Number: 13818
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Folder Title:
Panama 6/12/92 [OA 7576] [2]

Stack:	Row:	Section:	Shelf:	Position:
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Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Report	Biography (2 pp.)	5/21/91	(b)(1)	C
02. Report	Biography (1 pp.)	6/12/90	(b)(1)	S

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Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Speech File, Backup
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File Location: Panama 6/12/92 [2]

Pinksheet Number: RML1666
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Date Closed: 11/15/2004
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South America
of liaison
Col. Kiegler
(003) 693-4164
@Rutger

Mr. Quensby → Public Affairs

→ prepared for visits -

→ one of the best units in special operations
command sa - under Southern Command

a few from ~~the~~
most people have moved to

→ basically admin. affairs & Air Force training
- Air Force Station

2 Air Force instructors per of 10 major
stations

Howard Air Force base

graduate class '92 @ Panama High School

graduate training of 11 yr

children of diplomats - Embassy / US Fed Gov

Navy person - "wife" → "comes here for part"

Don't use rain coats b/c
humidity

→ Dec - April dry season

*16 McCURRY AND BUCKLEY RE-UNITED

The two most avid communicators in the history of The HOTLINE are together again. Mike McCurry, who last month left the position of DNC Communications Director, is joining John Buckley, former Director of Communications for the NRCC, both as Senior Vice-presidents of Robinson, Lake, Lerer & Montgomery, a DC strategic communications consulting firm. Robinson/Lake is headed by Jim Lake, former Reagan campaign press secretary. McCurry was Press Secretary to the presidential campaign of Bruce Babbitt in 1988 -- and later to Lloyd Bentsen's vice-presidential campaign. Buckley was press Secretary to Jack Kemp's presidential campaign in 1988. (Robinson, Lake announcement 10/10)

[3 on Atlantic
7 on the Pacific Side]

"The Trans-Isthmian Hwy."

(shuttle bus / car pooling)

→ shuttle across the isthmus ←

← → 1 hr 1/2 away drive across the isthmus
only road is a 2 lane - busy

DAD

Wason n/So. Command

703-695-1291

693-4164

5/6

Albany

→ 2:40 - 2:50

glies off into sunset

Plaza

2-2:20

on

Porras

(* 96 46 220)

people who don't like us hate us

Peter DeSinger
→ M. M. M. - Friday @
5 pm

→ Ferras b. 1856
d. 1942

lawyer -

President of Passaic

1912-16, 1918-20, 23-24 (on yr)
when cannot inaugurated

~~elector pres. by~~

most imp. politician of his day -

the 9 mo. 1903 - Civil War - Passaic
broke from Salem; one of first Passaic
Passaic here - quiet walks - Wisconsin

heap of unorganized of city

Olga magnificent son of his creator
city from apparently music in government
a diplomat

Rep @ League of Nations -

⇒ Renaissance man of the time
teacher @ 1 pt →

one of first Panamanians to complain @
1903 Treaty of US -

urged Panam to sign the treaty

"The Citizen in Democracy"

MEMORANDUM OF CALL

Previous editions usable

TO:

JB

YOU WERE CALLED BY- YOU WERE VISITED BY-

John McShane

OF (Organization)

PLEASE PHONE ▶ FTS AUTOVON

x 3860

WILL CALL AGAIN IS WAITING TO SEE YOU

RETURNED YOUR CALL WISHES AN APPOINTMENT

MESSAGE

(2:15 PM -)
Send to
(Enclavo)

(by Cops)
draft to us
tomorrow

RECEIVED BY

CA

DATE

today

TIME

now

63-110 NSN 7540-00-634-4018

STANDARD FORM 63 (Rev. 8-81)
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LEVEL 1 - 1 OF 10 STORIES

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December 24, 1989, Sunday, Home Edition

SECTION: Part A; Page 6; Column 5; Foreign Desk

LENGTH: 1153 words

HEADLINE: COMBAT IN PANAMA;
VIGILANTES IN PANAMA TAKE BACK THE STREETS FROM LOOTERS, MOBS;
LAW AND ORDER: HUNDREDS OF ARMED CITIZENS PATROL CAPITAL. BUT THEY FIND THAT THE
STORES HAVE BEEN STRIPPED BARE.

BYLINE: By MARJORIE MILLER and BOB SECTER, TIMES STAFF WRITERS

DATELINE: PANAMA CITY

BODY:

With handcuffs on his belt loop and a pistol on his hip, Ricardo de Ovaldia stood guard at a street-corner barricade in the middle-class Cangrejo neighborhood Saturday trying to impose order on a city without a police force.

"There is no law and order, so it's the law of the strongest," De Ovaldia said. "But we just shoot in the air and the people run away."

The 37-year-old doctor was one of hundreds, and possibly thousands, of Panamanians who turned out to take back the capital from the bands of civilian looters and paramilitary mobs who reigned during the first days of a U.S. military invasion to oust Panamanian strongman Gen. Manuel A. Noriega.

The capital was the calmest it had been since the occupation began with air strikes and ground combat at 1 a.m. Wednesday. Many people left their homes for the first time to take stock of the trashed and battered city, and to look for food for their hungry families.

What they saw were scenes of jubilation, fear and anger, a city that had been transformed since they went to bed Tuesday night.

The vast majority of warehouses and department stores were looted out -- there was nothing left to steal -- and naked mannequins lay among mounds of garbage in the street.

The municipal market opened, with overripe oranges and green bananas for sale. The traffic of wounded civilians slowed at public hospitals, allowing doctors and nurses to rest, many for the first time in three days. Meanwhile, grieving families arrived at hospital morgues to collect their dead.

Garrisons that once belonged to Noriega's Panama Defense Forces were under U.S. control, and, surrounded by American troops, the new government of President Guillermo Endara went to work in the Foreign Ministry building in Plaza Porras.

"Restoring law and order is our No. 1 priority," said Vice President Guillermo (Billy) Ford. "We hope to have everything cleaned up in the next 72

(c) 1989 Los Angeles Times, December 24, 1989

hours -- the paramilitary out and no more shooting in the streets."

Outside the still-smoldering ruins of Noriega's military headquarters, poor residents of the leveled El Chorrillo neighborhood swarmed journalists and their American military guides.

"Viva President Bush!" cheered 18-year-old Alejandro Bullen.

Most of the men and women had lost their homes or shops to the blaze that broke out after the American air attack, and yet they expressed conviction that the powerful United States -- the country that ousted their dictator -- would right the rest of their nation's ills.

"Work, clothes and food," said a smiling Bullen, who has never held a job.

Dr. Alonso Alvarado, an emergency room surgeon at the Social Security Hospital, strained his bloodshot eyes looking for the list of those who had been treated for gunshot wounds, burns and cuts since the invasion began. The tally: adults, 358; children, 153.

"Even before this invasion, the economic blockade had reduced our capacity to operate -- now this," Alvarado said. "We have no glucose, medicines, oxygen, sutures. And there's not enough food in the hospital for the sick or us."

Upstairs, the morgue is overflowing with scores of bodies -- three to a refrigerator drawer, and others lying on the floor.

"Many died of lesser wounds because they couldn't get to the hospital through the fighting," said Dr. Juan Mejia. "We aren't used to war here and weren't prepared. We had no transportation, nothing to treat people at the scene. We don't have enough surgeons, and many of our doctors couldn't get to work."

Many doctors and nurses were angry with the U.S. government for using military force to solve a political problem. Others indicated they had supported Noriega and considered him a nationalist.

The invasion, they said, was a historical error.

"To install a government and hunt for one man, they have destroyed a nation," said nurse Silvia Fernandez. "While Europe is uniting, they (the United States) are destroying us here. This is something out of the last century."

If anxiety and tension were the order of the day, so too was boredom. With the military threat eased but shops closed, huge throngs of people spent their day aimlessly strolling up and down the streets of their towns.

"They're all just walking because there's nothing else to do," explained Pedro Pimentel in La Chorrera, 20 miles west of the Panama Canal.

To be sure, not everyone was an idler. In La Chorrera, hundreds of hungry residents stood in line seeking admission to the two grocery stores that looters had missed and were reopened Friday by U.S. troops. Soldiers stood guard at the door and let shoppers in one by one.

(c) 1989 Los Angeles Times, December 24, 1989

"It's the price to pay for freedom," said Roland Zamora, who had been standing in an even longer grocery line of a thousand shoppers for more than three hours in Panama City.

Residents of some smaller communities were not as lucky.

Trapped between two strategic American roadblocks on the Pan American Highway, the people of Arraijan were unable to venture very far to search for food. Many milled in the center of town, staring, and frequently cheering, at U.S. troops while all the time asking them for something to eat.

"We have no rice, we have no flour, we have no gas, we have no milk," said an exasperated villager in similar straits in the Pacific Ocean hamlet of Veracruz.

"How am I going to feed my family? The stores aren't open."

American officials had long raged about the greed and utter cheek of Manuel A. Noriega and his pals. But Rigoberto Paredes may have taken the cake.

Paredes, Noriega's political boss in Arraijan and the reputed head of a local goon squad who beat up those who got in his way, made a lot of enemies in the village, which sits near the Panama Canal on the Pan American Highway.

As soon as American troops marched into town early Wednesday, Paredes fled and villagers began flooding soldiers with tips and rumors about his whereabouts.

In the process, troops also took over Paredes' mansion on the outskirts of town. On Thursday night the phone rang in the house, and when an American soldier picked it up, there was Paredes on the other end.

"Paredes called his house and he said he wanted it back," said Cpl. Jeff Newsome, a Marine platoon leader stationed in the town. "He was told he would get it back when he surrenders."

The fugitive hung up and has not been heard from since.

Soldiers pulled out of the house later that night, and the next morning residents of Arraijan ransacked it and burned it to the ground.

In La Chorrera, 3,000 townsfolk surrounded the headquarters of the defunct Panama Defense Forces -- now a U.S. army command post.

American A-7 fighter planes armed with 20-millimeter cannons took out the base Wednesday night and came in with ground troops Saturday morning. Curious men, women and children moved in behind the gringos.

Like spectators at a holiday parade, they lined the road and gawked from rooftops and tree limbs.

LOOTING; PANAMA -- REVOLTS; VIGILANTES; UNITED STATES -- ARMED FORCES -- PANAMA; MILITARY CONFRONTATIONS; PANAMA -- GOVERNMENT; PUBLIC OPINION; PANAMA -- ARMED FORCES; LAW ENFORCEMENT; PANAMA -- ECONOMY

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The hammer of the Kurds

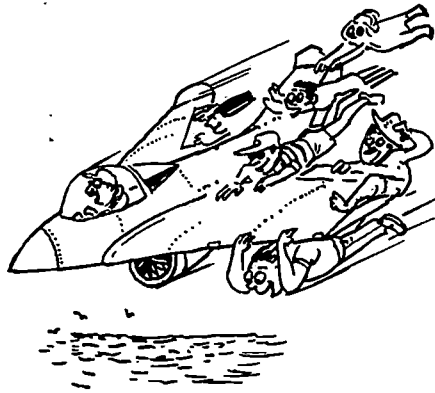


INTERNATIONAL

Cuba and Florida Raft people

FROM A CORRESPONDENT IN MIAMI

THE flotsam of Cuba's desperation is washing from the island to its usual shore, Florida. Since January more than 170 Cubans have made it across the straits, clinging to makeshift rafts; that is more than twice as many as in the same period last year, when a record 497 escapers arrived on Florida's beaches. But now Fidel Castro may have an even bigger surprise for the United States. For the first time since 1980 he may open Cuba's version of an iron curtain.



Americans are not sure how to react.

At a reception in Havana in late March Mr Castro, in his usual off-hand way, told a reporter he was considering allowing all Cubans aged 18 or over to travel wherever they want. The change would allow 66% of Cuba's 10.5m citizens to leave—if they could get visas and somebody to pay for their trip. Mr Castro's remark came a few weeks after he had lowered the travel age limit for men from 45 to 40, and for women from 40 to 35.

American officials are concerned that the Cubans may orchestrate a legal flight like the boatlift from Mariel in 1980 that brought 125,000 Cubans to the United States. Many of them were thieves and other awkward characters, unloaded by Mr Castro on the enemy to the north. The influx overwhelmed officials in southern Florida, where most wished to settle. Since then Miami has received more than 300,000 Haitians, Nicaraguans and other migrants. Schools, hospitals and housing are overburdened. The last thing most Miamians want is several hundred thousand more Cubans, even if they were all honest.

But Miami's Cubans are eager for their relations and countrymen to escape from Mr Castro's regime, under which life grows grimmer by the day. Chicken, eggs and beef are tightly rationed, even bananas and sugar are difficult to find. Oxen are replacing tractors, bicycles replacing cars. The authorities even admit that some Cubans are unemployed. The Communist Party cannot de-

cide when to hold its long-awaited Fourth Congress. While the Communists bicker, other Cubans flee.

In one recent weekend the American coastguard picked up 28 Cubans on rafts. The following Monday 13 Cubans aboard a small boat arrived on Grand Cayman, the British-owned islands 180 miles (290km) south of Cuba. A well-known Cuban radio director, Romel Iglesias Gonzalez, recently took a holiday in Miami, and announced his defection over an anti-Castro radio station. At Guantanamo, the American naval base in Cuba itself, the marine guards have

found refugees swimming in around the fence, more of them than at any time since Mr Castro took power in 1958.

The boldest Cuban of all is 38-year-old Major Orestes Lorenzo Perez, a pilot who appeared in March over Boca Chica naval station in Florida, waggled the wings of his Soviet-made Mig-23 to show his intentions were friendly, and landed, having passed undetected through the Americans' radar screen. The United States air force is more worried by that than the immigration authorities are by thousands of Cubans who will arrive in less sensational ways.

The Panama Canal Tide on the turn

FROM OUR CENTRAL AMERICA CORRESPONDENT

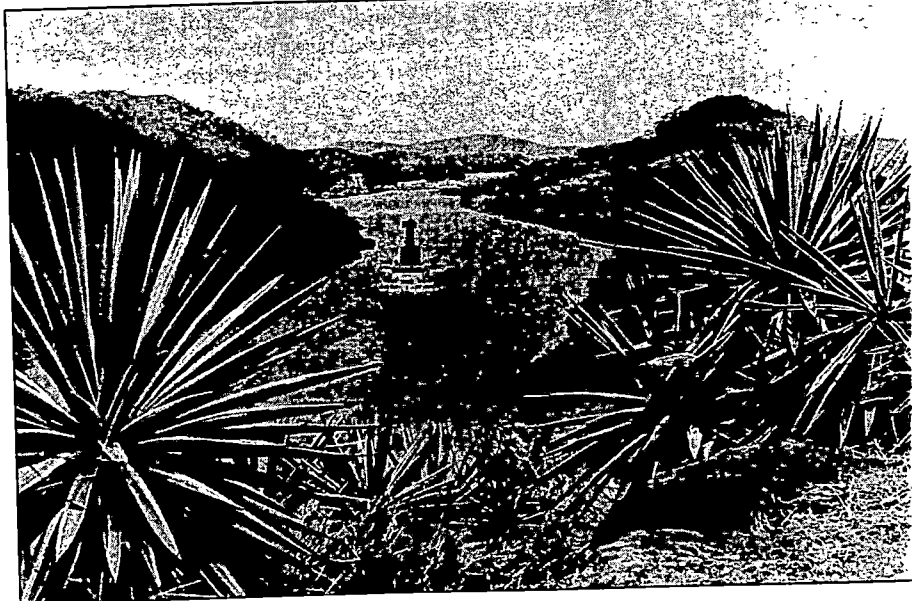
WHAT matters most in Panama is not its government, or its banks, or its drugs. It is the canal the country was created around. At the end of the year 1999, control of the waterway will finally pass from American to Panamanian hands. In the awkward transition, nobody is making the necessary decisions about its future role and management.

The date for full Panamanian control was laid down in the Panama Canal Treaty, negotiated between the United States and Panama in 1977, which took effect in 1979. Relations between the present and future proprietors soon became, to put it mildly, strained. Only with the installation by the Americans of a new Panamanian government last year did it become possible to discuss the future rationally. There are plenty of ideas, but no decisions. For example, should the canal, after 1999, simply pass from American to local political control, or

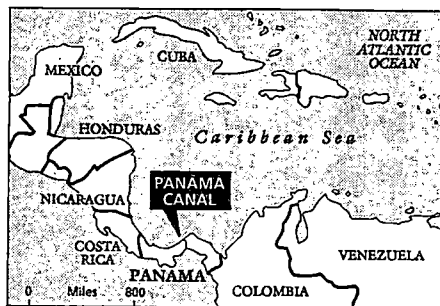
be run by an independent agency? Having been run as a non-profit public utility (not to mention military asset), should it be turned into a commercial venture?

While uncertainty hangs in the air, it grows harder for the canal to attract skilled employees, or customers. Without investment it could grow obsolete. "If the shipping world has serious doubts about the canal, four or five years ahead of time you will have companies looking at their operations," says Richard Wainio, planning director at the Panama Canal Commission, the United States government agency that now manages the waterway.

Sceptical Americans fear that some future, cash-strapped Panamanian government might try to extract as much revenue as possible from the canal, ignoring maintenance and the need to keep skilled workers. While Panama was isolated, in the years of the Noriega dictatorship, port facilities at



Flowing sluggishly towards 1999



the sea entrances deteriorated. Some companies have moved operations away to Kingston in Jamaica, Cartagena in Colombia, even to Miami.

There is optimism about, too. A commission set up by the American, Japanese and Panamanian governments has just ordered, for \$5m, a feasibility study of various improvements. Its American member, David Bastian, states that 156 of the 160 cargo vessels now being built in the world can pass the canal's locks; 60 of them are specifically designed to the maximum size for that passage. So for 20 years the waterway will be important to world trade.

Much of the most valuable traffic originates in Japan, bound for the eastern United States and for Europe. Railways offer a land-bridge across America for cargoes to and from the Pacific. Use of the canal is still rising, but at rates far lower than the annual increases of 8-10% in the early 1980s. Passages need booking well ahead. Only one ship can pass in each direction through the Gaillard Cut in the central hills.

Widening the cut is regarded as essential; it would cost \$400m. Creating a new set of bigger locks would cost a further \$3 billion-4 billion. A sea-level canal right across the isthmus could be cut for \$8 billion-15 billion. If such improvements attracted more traffic, they need not imply a great rise in charges.

But how should the capital be raised? The commission, although its administrator and half its members are by law Panamanians, is an agency of the United States government, subject to control by Congress. However good the security it may offer, it may not borrow on capital markets. To free it from that control before 1999 would mean renegotiating the treaty, about which politicians squabble almost as much in Washington as in Panama.

Moreover the canal, in a region not noted for stability, needs an armed force to protect it. The treaty provides that, by the end of the century, the United States must have removed its bases—barracks, airfields, jungle-training camps and all—from Panama. Once already the Americans have encouraged the formation of a small local force to look after the canal; under Manuel Noriega it took over the whole country and misruled it, so they are not keen to try again.

The Panamanians are by no means the

stubborn anti-Americans General Noriega tried to persuade the world they were. Recent opinion polls show that 65% of them want negotiations for an American military presence to continue after the canal has passed fully into their own government's ownership; 62% said they had no confidence in Panama's ability to operate the waterway on its own. It might be easier than expected to set up an independent organisation to do the job, and make a profit for its Panamanian owners.

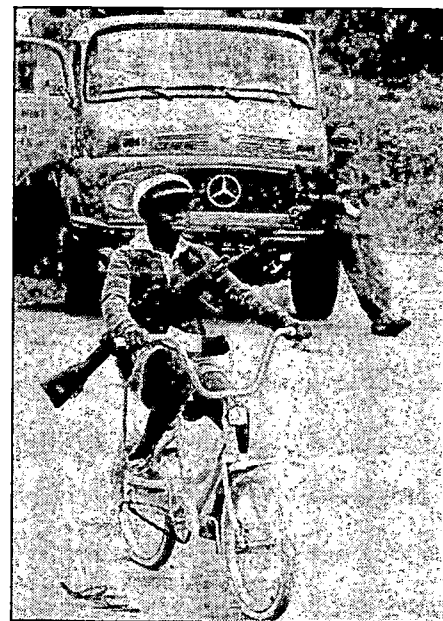
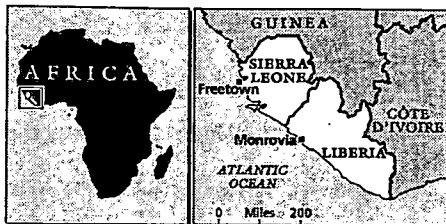
As for earnings, the canal has always done well out of international conflict. Its opening coincided with, and was helped by, the outbreak of the first world war in 1914. From mid-January to mid-February this year, as land fighting in the Gulf began in earnest, traffic rose by almost 10%, bringing in an extra \$3.2m in tolls in just one month. But steady prosperity brings a steadier return. Mr Wainio believes that, even without much growth in traffic, the canal's future for the next 20 years is bright. "Beyond that you are looking at science fiction." Or decay.

Liberia and Sierra Leone Border bother

TORN apart by a gruesome civil war, Liberia seemed for a time to have lost a chunk of territory to its neighbour, Sierra Leone. The commanders of Sierra Leone's 3,000-strong army proclaimed on March 31st that they had sent 2,150 soldiers to occupy a buffer zone on Liberia's northern Lofa county, killing 19 Liberians.

Then President Joseph Momoh of Sierra Leone, himself a former general, denied his officers' claim. His army, he said, had merely thrown back across the border some of Charles Taylor's Liberian rebels, who in late March had entered Sierra Leone and killed 14 people, while carting off from two frontier settlements all the food and goods they could carry. Liberia's 15-month-old civil war has brought hunger. More than 1.5m people, out of a population of 2.5m, have been displaced from their homes.

Mr Momoh's surprise was his allegation that the intruders had included regular soldiers from Burkina Faso. This sounds improbable. Burkina Faso's dictator, Blaise Compaoré, has indeed backed Mr Taylor's rebels, offering them military advice and weapons from Libya, but almost certainly



Liberian and accessory

not any significant body of troops.

More plausibly, Mr Momoh denied that Sierra Leone wanted any Liberian land. Nipping a slice off the neighbour would annoy neighbouring governments, most of which have unreliable areas on their frontiers. It would therefore scupper the best chance of peace for Liberia, which is being painstakingly put together by the 16-member Organisation of West African States (ECOWAS). Since last August an ECOWAS force (mainly Nigerian, with some Sierra Leoneans) has imposed a fitful peace on the factions in the Liberian capital, Monrovia. The next step is to get agreement on an interim Liberian government, to prepare elections scheduled, wishfully, for October.

Charles Taylor says Sierra Leone's military action was a deliberate attempt to scupper the peace talks. But Sierra Leone needs an end to the conflict, which has pushed 750,000 refugees on to its own and Côte d'Ivoire's territory. It is Mr Taylor who may fear the coming of peace. Although he controls 12 of Liberia's 13 counties, the ECOWAS force has stopped him from gaining control of Monrovia, and the peace plan excludes all rebel leaders from the interim presidency. The man picked for the job is a mild academic, Amos Sawyer, whose writ runs as far as the suburbs.

Piqued, Mr Taylor has refused to attend a national conference to plan Liberia's future. To it ECOWAS has invited a score or so of self-proclaimed parties and interest groups. Mr Taylor would prefer a conference whose membership reflects his own strength. If he does not come to the negotiating table soon, the ECOWAS people may have to try to persuade him. Their 7,000 trained men could sorely damage the raggle-taggle rebel army.

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The Economist

JUNE 15TH—21ST 1991

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BASTA, SAYS ITALY

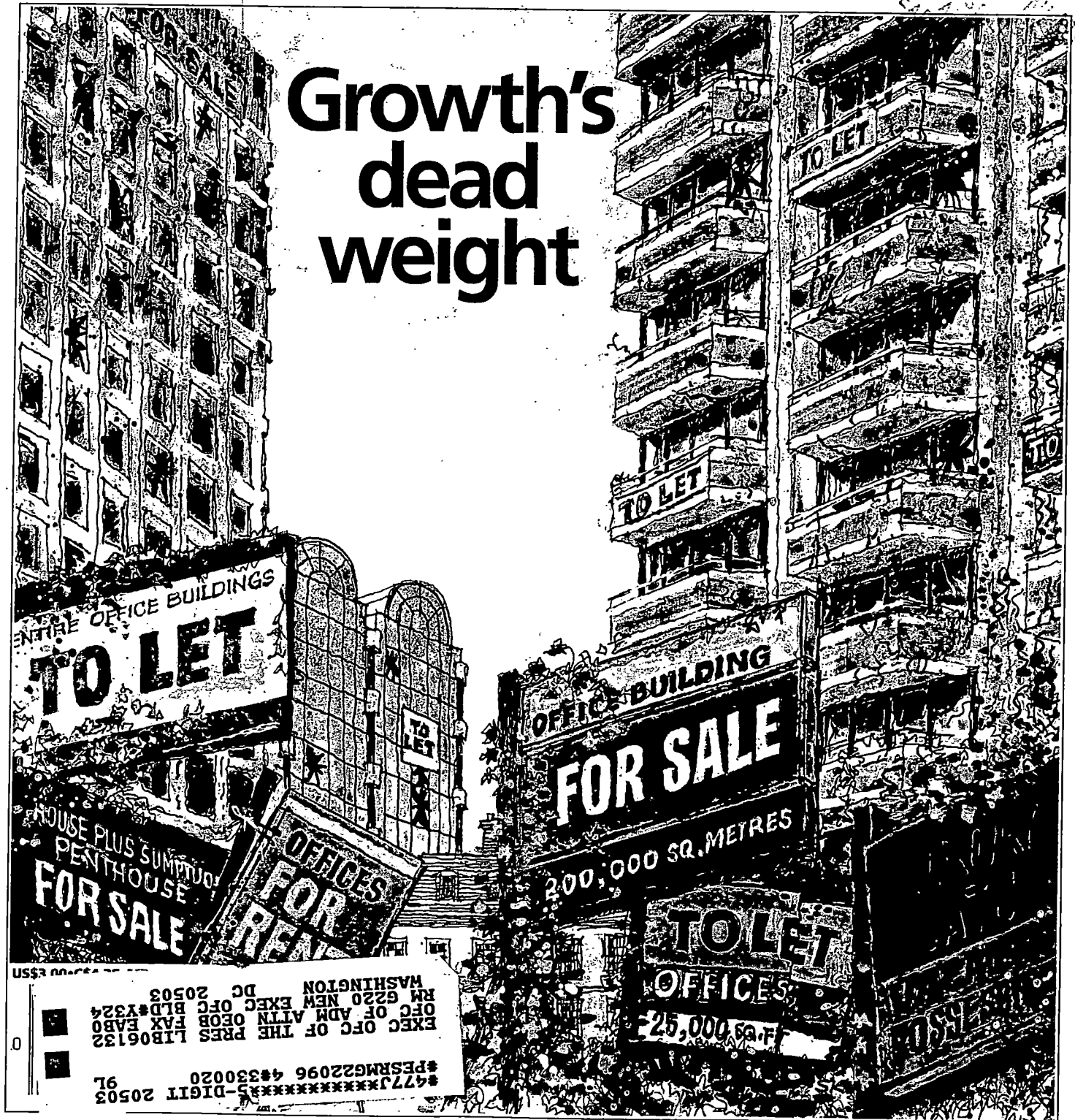
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THE USES OF HEAVEN

A survey of space

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REGISTRATION

Growth's dead weight



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wealth and armed strength, and because the United States (with which Mr Gaviria would like the friendliest relations) demands his extradition. The Americans will not get him; even if Colombia's constitution allows his extradition (the lawyers disagree), Colombian judges will not sign their own death-warrants by granting it. Inside the country he has been on the run since his men murdered a Liberal presidential candidate in August 1989; the army has repeatedly failed to trap him, apparently because he gets warned of its operations. Even if somebody managed to shoot him, his business empire presumably has arrangements to carry on under new management.

The government therefore proposes to make ceasefire deals with him and as many gangs as it can, whether their terrorism be of a political or a business nature. The president will rule by decree for six months, free of constraint by parliament. With luck, the constituent assembly will finish recasting the country's institutions, ready for an election in October. The outcome should be a new political system offering advancement to all without the need to shoot.

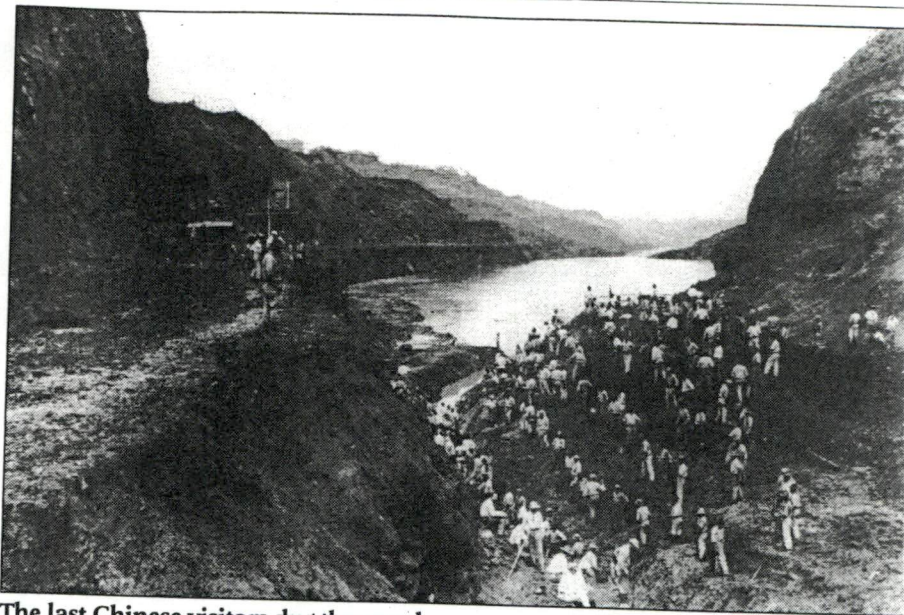
The deal starts off looking absurd, with the building of Mr Escobar's cosy jail. It may not work, anyway; some far-left gangs may refuse the democratic way, and some commercial gangs may see no prospect of staying rich without their guns. Above all, the cocaine trade, lucrative and tax-free too, will surely carry on in armed clandestinity, so long as the United States remains a rich and accessible market for its wares.

Panama and China Bridging the Pacific

FROM OUR CENTRAL AMERICA CORRESPONDENT

A GROUP of Chinese businessmen recently crossed the Bridge of the Americas, over the Pacific entrance to the Panama canal. Looking down, they marvelled at the facilities of the United States navy's Rodman base, and chuckled to see the Soviet warship *Vladivostok* moored opposite, at Balboa port. "If you're an investor, it's nice to know the United States is protecting you," said Sunny Yip, a Hong Kong promoter accompanying the men from China.

Businessmen nervous about the return of Hong Kong to Chinese rule in 1997, and interested in access to the North American market, are tempted by Panama, recently restored to democracy under the wing of the United States. Panama, with its canal, is a natural entrepot and export-processing zone. Military dictatorship, and a long row with the United States, held back its development—until December 1989, when an



The last Chinese visitors dug the canal

American invasion ended 21 years of military rule, and revived the dormant interest of foreign investors.

To attract them, Panama has adjusted its tax and labour laws. Factories in export zones get full tax exemptions on profits for 10-20 years, plus exemption from the country's tough labour code, giving them the right to dismiss workers and restrict strikes. Investors who deposit \$80,000 in the National Bank for five years can even get a temporary Panamanian passport. American companies, and others from Canada, France and Hong Kong, are already planning to create 35,000 jobs.

The biggest schemes come from the other side of the Pacific. Japanese, Korean and Taiwanese investors are showing fresh interest throughout Central America. Once the only foreigners interested in the region were Americans. Now delegations of Japanese investors visit Nicaragua, and there are more than 80 Korean plants in Central America, mostly making textiles.

Panama's special advantage is its old link with China. At least 100,000 Panamanians are descended from Cantonese workers, shipped over a century ago to dig the Panama canal. Bes, a development company backed by the Taiwan government, is investing \$10m in an export-processing zone to house 60 factories in Panama. Its local manager, David Cho, thinks the potential very big. On top of those tax and labour laws, the local currency is the United States dollar, the country has a crowd of international banks, and local products have duty-free access to the American market.

The grandest plan of all is the one promoted by Mr Yip, from Hong Kong. At a cost of \$5 billion it would transform Panama's torrid Pacific coastline with glittering glass towers, floating marinas and pleasure craft, hiding a swathe of light industrial as-

sembly plants in an export-processing zone—"Buck Rogers brought to life," remarked an American official contemplating the model. Mr Yip recently signed a tentative agreement with the Panamanian government. The commerce minister, Ricardo Alfaro, says he wants to see a plan with a timetable and guarantees.

On his latest visit Mr Yip, chairman of the Ganum Group, was travelling with representatives of China Merchant Holdings (CMH), a state-owned company that manages the Shekou industrial zone in mainland China. Ganum says it has already spent \$1.75m on the Panama project, including trips to Asia for Panamanian officials and 15 legislators. It has bargaining power: its part-owner, CMH, has 135 ocean-going vessels, and is one of the largest users of the Panama canal.

Ganum has its eyes on 50 square kilometres (19 square miles) of coastal land next to Howard air force base (which the United States will hand over to Panama in the year 2000). There, by the end of the century, they propose building some 2,000 factories, plus housing, a hospital, a financial centre, hotels and facilities for tourists. That would employ 200,000 people—just about the number now seeking jobs in Panama, where the unemployment rate is 25%, in a workforce of 850,000.

Ganum proposes, in fact, to transform Panama's economy. It says its zone would in five years be contributing \$270m a year to the government's coffers, while doubling the value of the country's exports. With an income per head a quarter the size of Hong Kong's, the country has less than half the British colony's population and 70 times its land area. The prospect of a Chinese transformation seems too good to be true. "Most Chinese here don't believe it," said Mr Cho.

Withdrawal/Redaction Sheet

(George Bush Library)

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Subseries:
WHORM Cat.:
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Date Closed: 11/15/2004	OA/ID Number: 13818-008
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Date Closed: 11/15/2004	OA/ID Number: 13818-008
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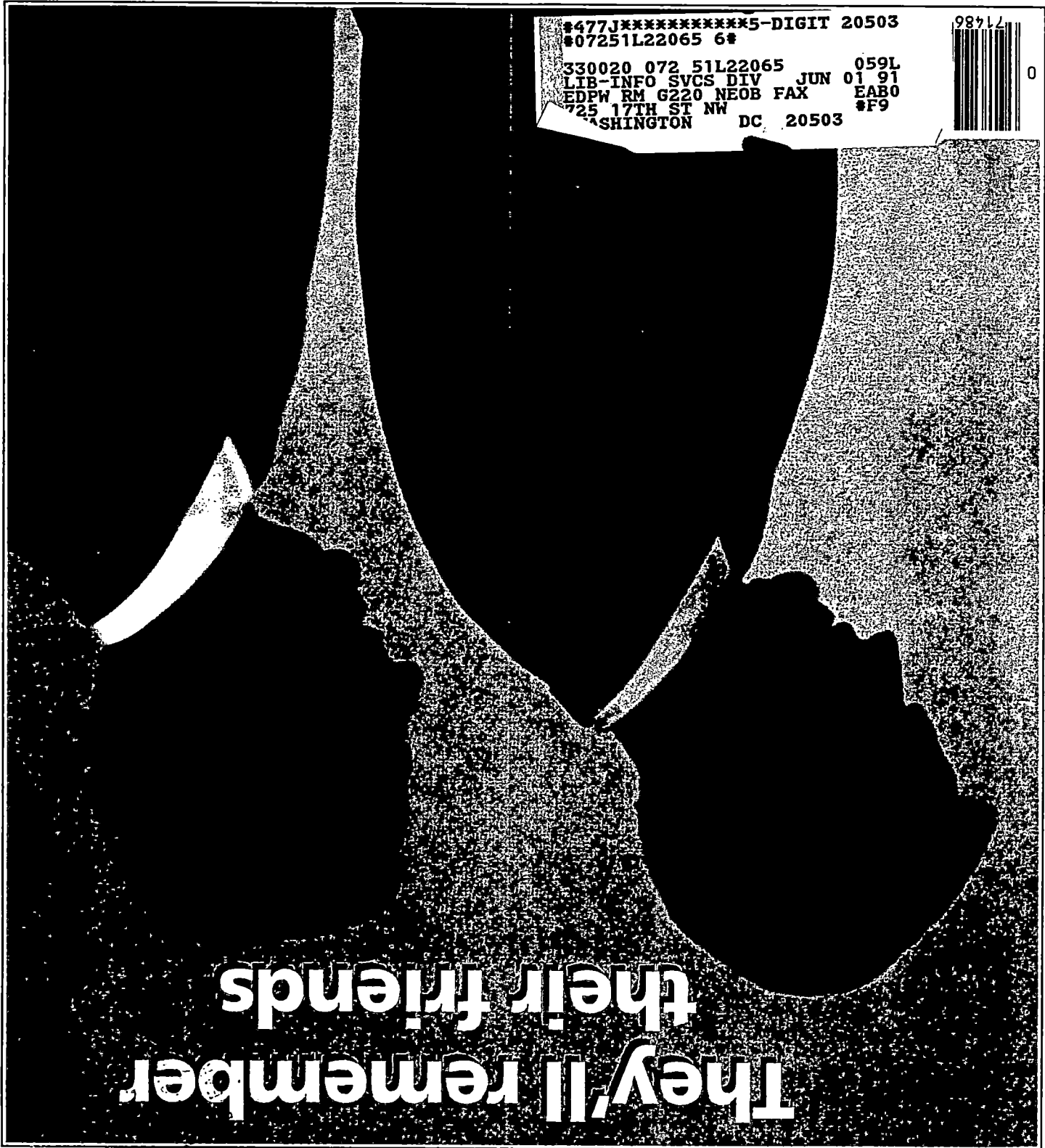
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They'll remember
their friends

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WHITE-COLLAR LAY-OFFS

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HOW JAPAN OWNS FIRMS

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DEATH OF PERESTROIKA

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THE SUNNUNU WAY

56

2-8 February 1991

The Economist

Panama likes democracy but wants something else too

FROM OUR CENTRAL AMERICA CORRESPONDENT



White supremacy, for the Endaras

THIRTEEN months after the United States invaded their country to set them free, Panamanians had their first chance to vote on January 27th. Most stayed at home or went to the beach, regarding elections for local councillors as a waste of time. In nine (out of 67) districts, seats in the national assembly were also contested. There the turnout was much higher, and at least five seats were won by supporters of the coalition that backed General Manuel Noriega, the dictator whom the Americans still hope to try next summer.

The result of Sunday's elections astonished Mr Noriega's former allies. The turnout—less than 10% in some wards—was a poor reward for the international observers who looked on, and for the representatives of the European Community, which had given election equipment worth \$600,000.

Panamanians look back to the good bits of 21 years of military rule, and wonder if democracy is all it is cracked up to be. "Omar lives on," say the graffiti, referring to General Noriega's predecessor and mentor, Omar Torrijos, who ruled authoritatively but on the whole quite popularly for more than a decade, and was much admired by Graham Greene. The American invasion installed the civilian government whose election had been aborted by Mr Noriega. It

has proved a bitter disappointment, not just in its economic performance.

Panamanians worry about public debt and unemployment. The government is nearly bankrupt, because of debts run up under General Noriega. Mass layoffs in the public sector (which had been cosseted by the military rulers, whose generous labour laws and pension schemes are threatened by the democrats) have caused bitter resentment towards the white-collar, pale-faced people who again run the country.

The president is the biggest disappointment of all. Few take Guillermo Endara seriously. Below stairs in his palace, American officials make deals with security officers who once served General Noriega. Upstairs, the love-struck president and his young bride play video games, emerging for public functions blowing kisses at each other.

Most Panamanians are black or Indian, as well as poor. It is hard for them to have much confidence in the president's political creed. He constantly refers to the thwarted goals of his revered mentor, Arnulfo Arias. Arias, who died in 1989, was thrice elected president and deposed (the last time in 1968 by Torrijos). He admired the Nazis and advocated white supremacy for Panama.

Many Panamanians fear that their country, under American tutelage, has

drifted back into rule by a white oligarchy. That was the belief that won support for the populist soldiers who took power in 1968, and held it so long.

The American invasion of December 1989 was generally approved of at the time. Even though it caused the death of some 500 Panamanians, that was deemed a worthwhile price for ridding the country of the increasingly brutal and unpredictable Mr Noriega. Disappointment set in only later: people expected American economic help, as well as American soldiers. Yet even before the Gulf war American aid was only trickling in. Many Panamanians now blame the gringos for everything, even for increases in the price of petrol.

On the face of it the financial part of the economy has been enjoying a boom. Local deposits have been unfrozen, and exiles have brought money home. The drugs trade is still lucrative. But none of this makes up for the damage and capital flight caused by American economic sanctions in the Noriega period. The government's indecisiveness has not encouraged investors. It is now frankly unstable. Torrijos is dead and General Noriega is in jail, but the political movement Torrijos founded was the biggest winner in the new elections. There is a lesson for those who seek to restore democracy through military intervention. The real fight begins when the war is won.

Zambia

Democracy's apprentices

FROM OUR ZAMBIA CORRESPONDENT

DEMOCRACY is tempting, especially to those who have not tasted it. On January 12th more than 50,000 people jammed the copper-mining town of Ndola, at a rally organised by Zambia's brand-new Movement for Multi-Party Democracy (MMD). The loudest cheers were for a speaker who called for the ruling United National Independence Party to stand down. "UNIP is buried," shouted the young men marching into the town.

Not since 1973, when it became the only legal party, has President Kenneth Kaunda's UNIP had any fear of losing an election. In September 1990 the president caved in to repeated calls for freer politics. Multi-party parliamentary and presidential elections must be held before October. Seven new opposition parties, some of whose leaders are

LEVEL 1 - 4 OF 6 STORIES

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January 8, 1990, Monday, NORTH SPORTS FINAL EDITION

SECTION: NEWS; Pg. 4; ZONE: C

LENGTH: 1186 words

HEADLINE: Remaking police force a key goal in Panama

BYLINE: By Gary Marx, Chicago Tribune

DATELINE: PANAMA CITY, Panama

BODY:

On the morning of Oct. 3, 1989, Maj. Jose Augustine Pajaro went to Gen. Manuel Antonio Noriega's headquarters with one goal: Kill Noriega and end his corrupt rule.

Pajaro and several other rebel officers broke through an armored door and scrambled into Noriega's inner office, where the general was standing, unarmed. But for some reason, Pajaro didn't pull the trigger on the Uzi submachine gun he was carrying.

Hours later, the coup attempt was crushed. Pajaro, once a Noriega loyalist and a military zone commander, spent weeks in isolation at Panama's infamous Coiba Island Prison.

Now Pajaro, freed from jail by U.S. troops, wants a job in the new Public Forces of Panama, which is being led by some old Panamanian Defense Forces officers, those who opposed Noriega's rule, according to U.S. and Panamanian officials.

His application goes into a pile with all the rest, awaiting the review of U.S. officials who are screening potential candidates for the new police force.

One of the most important responsibilities the U.S. faces in the wake of its invasion is the reconstruction of Panama's police force, which was severely eroded by the U.S. assault and tightly controlled by Noriega before that.

At the same time, U.S. military officials and Panamanian authorities want to guarantee that the force never again grows as dominant or strong as it was under Noriega or his predecessor, Gen. Omar Torrijos.

Even at this early point in the process, there are concerns that too many of the old Panamanian Defense Forces officers are finding new jobs in the reconstituted police department. Critics fear they might bring corruption and brutality with them.

"We realize that you cannot organize a police force overnight without using some (old) officers," said Osvaldo Velasquez, head of the Panama Committee on Human Rights. "But we have serious objections to some of them, and all of them were somehow involved in the corruption and torture."

"The majority of the officers and the troops were not for Noriega," responded Maj. Gen. Marc Cisneros, commander of all U.S. forces in Panama. "The coups show that . . . he was not a popular leader" within the military.

The intensity of the debate over the use of old officers in the new security force demonstrates the anger and resentment many Panamanians harbor for the once all-powerful, 15,000-member Panamanian Defense Forces.

But it also demonstrates the importance of the military in Panamanian society, and the difficulty the new civilian government may face in controlling that force.

U.S. officials will play a key role in determining just how powerful the new security force becomes. And while they say they don't want to create an army as dominating as the one Noriega led, they have difficulty defining what they do want.

"We don't want them ever to go back to what they were - a praetorian guard for somebody," said Col. Al Cornell, a former U.S. military attache in Panama who is now U.S. liaison officer to Panama's new security force.

"But they need to be prepared for something more than traffic patrol and police functions," he added.

Military leaders have ruled Panama for 21 years, displacing civilian presidents "like they change underwear," Cornell said.

Under Torrijos, who ruled from 1968 until his death in a plane crash in 1981, the military, largely through U.S. aid, became the most powerful institution in Panama. It spent freely and bought off opposition leaders while creating a system in which the army had its hands in almost every aspect of the economy, diplomats say.

Under Noriega, who took power in 1983, the military was transformed into a well-oiled machine that ran on corruption, arms trafficking, drug dealing and other illicit ventures, according to former officers and government officials.

After the U.S. invasion on Dec. 20, American officials and the new Panamanian government led by President Guillermo Endara disbanded the Defense Forces and jailed most of the highest-ranking officers.

But Endara and his first vice president, Ricardo Arias Calderon, who is in charge of security, decided that forming a new force from scratch would take too long, especially in light of the looting that followed the invasion.

Instead, they chose an officer corps from those viewed as less tainted by the military's corrupt rule, especially those who participated in the unsuccessful October 1989 and March 1988 coups against Noriega.

But critics say the force is being thrown together too quickly and many of the new officers cannot be trusted, especially some of those at the top.

Col. Roberto Armijo, who was initially chosen by Arias Calderon to head the force, resigned last week only days after Cornell described him as free from the taint of graft.

The man chosen to take his place, Col. Eduardo Herrera Hassan, is also described by Cornell as "clean." While Herrera Hassan has a reputation of being a longtime opponent of Noriega, he was in charge of the special forces units used by the general in 1987 to crush demonstrations against his rule.

"He led the forces on Black Friday (July 10, 1987)," said Velasquez, referring to a particularly bloody day on which troops killed several demonstrators. "For that, he can never be forgiven."

Herrera Hassan said the most corrupt officers were those closest to Noriega.

Panamanian and U.S. officials say they are carrying out an intensive screening process to weed out corrupt former soldiers who are trying to sign up for the new force, which has about 1,000 members and is carrying out joint patrols throughout Panama City with U.S. soldiers.

Many of the worst offenders have already been detained by U.S. officials.

To prevent the force from becoming too powerful, the new government has said it will not reconstitute the tactical units that fought against U.S. forces or were used in the past by Noriega to crush demonstrations.

To prevent any one officer from becoming too powerful, Arias Calderon has said he intends to require all military personnel to retire after 25 years and allow no officer to serve as commander of the force for more than two years.

The vice president has also said that all old officers will be replaced as quickly as possible by newly trained soldiers who are taught to respect the primacy of civilian authority. And he is requiring all local security commanders to report directly to the local governors.

But even with these changes, many diplomats, Panamanians and U.S. military officials remain concerned the force may eventually return to its old ways, especially as pressure builds to increase the size of the force when Panama takes over the responsibility of defending the Panama Canal in the year 2000.

Pressure also may build to augment the size and firepower of the force if Noriega loyalists decide to fight the new government.

On Friday a U.S. soldier was shot at by a sniper, but the bullet bounced off his helmet. And at a Saturday mass at which the new popular forces gathered, many expressed concern that when U.S. troops pull out, fighting with Noriega loyalists may intensify.

GRAPHIC: PHOTO: AP Laserphoto. Sgt. Allan Williams, of Roanoke Rapids, N.C., holds his 17-month-old daughter Allison while on guard duty in Panama City Sunday. U.S. troops are staying in Panama to ensure stability.

TERMS: PANAMA; MILITARY; POLICE; OFFICIAL; UNITED STATES; RELATION

LEVEL 1 - 5 OF 6 STORIES

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January 2, 1990, Tuesday, Late Edition - Final

SECTION: Section A; Page 10, Column 1; Foreign Desk

LENGTH: 1109 words

HEADLINE: Panama's Predicament: Sorting Out the Military

BYLINE: By LARRY ROHTER, Special to The New York Times

DATELINE: PANAMA, Jan. 1

BODY:

The newly appointed military commander of Los Santos province had just been sworn in after promising loyalty to the new President, Guillermo Endara, and the civil authorities under him.

But when Maj. Cesar Dominguez arose to speak at the event last week, he took an unexpected tack.

'This is all very well and good,' the officer told those present, according to a Panamanian Government official who attended the ceremony. 'But when the gringos leave, I will remain behind, and then we'll see what happens.'

As a silence fell over the crowd, the celebration of the restoration of civilian rule was suddenly cut short. A representative of Panama's new civilian Government consulted with the local American military commander. Within minutes, Major Dominguez had been summarily stripped of his post, arrested, turned over to American troops and replaced by a more cooperative officer, Capt. Gustavo Quintero.

An Inherited Military

On one level, this incident, which took place on Dec. 27, indicates that after 21 years of military rule, the principle of civilian supremacy reigns here at last. But it also illustrates the resistance the new Government has encountered as it tries to forge a new security force out of the military personnel it inherited from Gen. Manuel Antonio Noriega, whose situation in the Vatican's embassy here was unchanged today.

'In a revolutionary situation such as Nicaragua, the new Government comes in with its own army,' explained Osvaldo Velasquez, who as head of the Panamanian Committee on Human Rights has been a persistent critic of military rule.

'Here there was an invasion by a foreign power that destroyed the armed forces, so the new Government has to work with the least bad, with those who have sinned least.'

By all accounts emanating from the Government, virtually all of the approximately 900 officers in the 15,000-man Panamanian Defense Forces have committed transgressions such as corruption or abuse of power, and the worst offenders will soon face criminal charges. But the Endara Government and its

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American military and civilian advisers argue that to form an entirely new force would take years and require the extended presence of United States forces as guarantor of public security.

'As far as I am concerned, I would like to have started completely from scratch,' one member of the Cabinet said today. 'But you just can't do it.'

Conciliation Resented

At the realization that there will be no sweeping purge of the Defense Forces grows, so does popular resentment of the Government's conciliatory approach. Around the capital, cars are now circulating with bumper stickers that demand, 'Police yes, army no,' referring to a popular proposal to limit the new Public Force to constabulary duties and strip it of all military functions, as is the case in neighboring Costa Rica.

On Saturday, a Panamanian television station concluded its evening broadcast by showing all of its footage of Defense Forces violence that had been censored by the Noriega Government. As scenes of savage beatings, shootings and destruction appeared and a narrator condemned the military for killing and exploiting its fellow citizens, the screen continually flashed a two-word message: 'Never again.'

Government officials say that even the Endara Cabinet and its allies in the Civic Crusade, who led the drive to overthrow General Noriega and often were arrested or tortured as a result of their activities, are divided on the question. First Vice President Ricardo Arias Calderon said on Dec. 27 that the former Defense Forces 'cannot be simply and purely erased,' but 'have to be redirected.' But many of his formal political associates have criticized this approach, arguing that the force should be abolished altogether.

Public concern with the leadership of the new security force begins at the top, with Col. Roberto Armijo the Commander in Chief. Mr. Arias Calderon, who also serves as Minister of Justice and Government, and as such is in charge of security and legal matters, has said that Colonel Armijo was selected on the basis of seniority and that this principle would prevail.

Led Crackdown on Protest

In recent years, Colonel Armijo has held personnel and naval posts, which officials of the new Government and human rights leaders say means that his participation in the drug smuggling, money-laundering, gambling, prostitution and protection rackets that lined the pockets of many of his fellow officers was minimal. But a decade ago, then-Major Armijo was in charge of the troops assigned to violently quell peaceful protests against General Omar Torrijos's grant of refuge here to the Shah of Iran. Those actions involved mass arrests, shootings and beatings that have not been forgotten here.

Mr. Arias Calderon has also said the Government intends to require all military officers to retire after 25 years of service, a legal stipulation ignored under General Noriega. If that requirement is indeed observed, Colonel Armijo will be forced to step down later this year.

'Armijo is only a transitional figure,' the Cabinet minister said today. 'He won't be around long, you can be certain of that.'

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Colonel Armijo's probable successor is his deputy, Col. Eduardo Herrera Hassan, a favorite of the American and diplomatic establishment here. But many Panamanians find him unpalatable because of his role as commander of the troops that most energetically shot, gassed, beat and tortured civilian protesters during the wave of demonstrations against General Noriega that erupted here in the summer of 1987.

'I cannot forgive Herrera Hassan for Black Friday,' Dr. Velasquez said, referring to the day in July 1987 when the repression of street protests reached its peak. 'He directed all the operations and must bear that moral responsibility.'

Panamanian political and human rights leaders say the careers of other top officials in the new force are no less clouded by incidents of abuse. Col. Armando Palacios Gondola has been publicly accused of murder, while Col. Moises Correa is said by lawyers here to have systematically ignored the writs of habeas corpus they delivered to him when he was in charge of jails here - nearly 200 such writs on one particularly busy day.

Panamanian officials said soldiers were already receiving instruction in human rights and democratic values in an effort to counter the military indoctrination they have undergone over the last 20 years. But a new public force 'cannot be a typical guy out with his baton on the beat,' at least in the near future, a senior American Embassy official here said.

GRAPHIC: Photos of Pres. Guillermo Endara of Panama at a New Year's Day Mass in Panama City (Reuters); an American helicopter transporting troops to a landing area near the embassy (AP)

SUBJECT: ARMAMENT, DEFENSE AND MILITARY FORCES; MILITARY PERSONNEL

NAME: NORIEGA, MANUEL ANTONIO (GEN); ROHTER, LARRY

GEOGRAPHIC: PANAMA

LEVEL 1 - 3 OF 6 STORIES

Copyright (c) 1990 The Washington Post
January 30, 1990, Tuesday, Final Edition

NAME: RICARDO ARIAS CALDERON

SECTION: STYLE; PAGE B1

LENGTH: 3073 words

HEADLINE: Panama's Philosopher Pol;
Ricardo Arias Calderon's Leap From Exiled Academic to Vice President

SERIES: Occasional

BYLINE: Myra MacPherson, Washington Post Staff Writer

DATELINE: PANAMA CITY

LEAD: As this country lurches toward democracy -- after 21 years of military dictatorships, a decade of Noriega corruption, two years of devastating U.S. economic sanctions and last month's invasion that killed at least 600 Panamanians and leveled city blocks -- one could reasonably ask, "Who in his right mind would want to try putting this country on course?"

BODY:

As this country lurches toward democracy -- after 21 years of military dictatorships, a decade of Noriega corruption, two years of devastating U.S. economic sanctions and last month's invasion that killed at least 600 Panamanians and leveled city blocks -- one could reasonably ask, "Who in his right mind would want to try putting this country on course?"

The answer is Ricardo Arias Calderon -- first vice president, minister of government and justice, and president of the Christian Democratic Party, the largest political party in Panama today.

President Guillermo Endara is the name Americans know. Second vice president Guillermo Ford's blood-drenched face is the one they have seen in a famous photo of him being beaten by Noriega's thugs.

But the consummately ambitious Arias Calderon is the one viewed by many here as the most powerful of the troika -- the man who could dominate Panamanian politics for the next decade. Tall, lean, with aesthetic tastes -- a Yale- and Sorbonne-educated Catholic philosopher -- Arias Calderon hardly fits the mold of affable Latino populist pols. Manuel Noriega nicknamed him "the crazy nun." Even friends who see a droll private side jokingly call him Arias Cardinal Calderon for his public stiffness.

Many Endara supporters are put off by what they feel is Arias Calderon's aloofness. When he attempts public emotion, such as grief for the dead of the invasion, some feel he looks stagy. "Like your Pat Robertson or those other TV ministers," said one Endara follower.

But Arias Calderon is respected for his intelligence and courage. After risking his life in years of open denunciation of Noriega -- after being

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jailed and attacked and forced at gunpoint into exile -- many friends are just happy to see that he is alive.

Shaping the Police

One Panamanian joke describes the difference between the laid-back Endara and the organized workaholic Arias Calderon: By 5 a.m. Arias Calderon has made five phone calls. By 9 a.m. he has met with half a dozen people. By 9:30 a.m. Endara is rolling over in bed and asking of an aide: "Are the pancakes ready yet?"

This explains, in part, why Arias Calderon has been saddled with the crucial and paramount task immediately facing Panama -- setting up a civilian police. Critics charge that the United States and the government it installed are recreating the monster: the entire newly formed 13,000-member "public force" is made up of former Noriega cadres and many at the top were officers in Noriega's armed forces. These were the very troops that in the past cracked down on anti-Noriega protesters and committed innumerable human rights violations. Some were credited with setting blocks of Panama aflame in retaliation for the invasion.

Arias Calderon has been blasted by those who see a puppetlike acquiescence to U.S. interests. His supporters, however, see a typically pragmatic, tactical move; it is better to have 13,000 PDF (Panama Defense Forces) on your side than to have them disenfranchised, armed and roaming the streets.

But despite an alarming post-Noriega crime wave -- which included the murder of a ranking U.S. official of the Panama Canal bureaucracy -- the newly formed police go without high-caliber weapons. Officials fear some might be as dangerous as the unemployed Noriega loyalists credited with today's crime wave. The new police will get more weapons only after an investigation into their own past is concluded.

Arias Calderon's eyes burn with intensity as he talks about the "so-called Dignity Battalions." They are still out there with their AK 47s, M-16s, bazookas, grenade launchers." When the American invasion troops, still much in evidence on the streets, depart, the Panamanians must defend themselves, he argues.

Arias Calderon emotionally defends employing the former PDF. "I have commended my personal security to these policemen -- despite all that has happened. It's time to look to the future."

More troubling to many are the military at the top of this civilian force, which includes U.S. advisers as well as former Noriega officers, such as Col. Eduardo Herrera Hassan. A favorite of the Pentagon, Herrera now heads Panama's security forces.

Herrera was in charge of what is now known as "Black Friday" -- the summer day in 1987 when the PDF tear-gassed and beat demonstrators, jailed thousands and wounded hundreds in one of the bloodiest assaults on a Noriega opposition peaceful rally. Arias Calderon and his wife were among the thousands attacked. Now, ironically, Arias Calderon deals daily with Herrera, and he justifies his backing of Herrera in language his critics find unsettling and disingenuous: "He was one of the most respected officers and Noriega was afraid of him. Noriega gave him that ["Black Friday"] role precisely to compromise him."

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And he adds, "If we put together a public force that accepts civilian authority and complies with the constitution, we have a democratic government. If we don't put that together, we won't have one. It's as simple -- " he pauses "and as difficult -- as that."

Ricardo and Teresa

At one Arias Calderon press conference, reporters, eyes glazed and pencils stilled, seemed in danger of catatonia as the vice president detailed his ideas, point by endless point.

But as he relaxes with a scotch and water after one of his around-the-clock days, Arias Calderon emerges as far more accessible. The seriousness remains, but his long and lean face is transformed by radiant smiles. He has an air of elegance. His English, one of several languages he speaks, has a cultured accent that could be from middle Europe just as easily as Latin America -- the kind of foreign leader American officials find so "one-of-us" comforting.

There are hugs and kisses for his wife, Teresa. Dark-haired, with smooth skin, she looks too young to be the mother of four children ages 25 to 17.

"It used to be that I was busy and my wife was less so," says Arias Calderon, "but now, since President Endara is a widower and has asked her to represent him in Red Cross and humanitarian causes, we communicate by telefax." Then, with arm comfortably around her, he volunteers, "But there are some things you cannot do by telefax."

The relationship of Ricardo and Teresa, who always carry beeper phones to communicate with one another, is deep and symbiotic. Universally called Teresita, she is termed "feisty" by friends and "pushy and too outspoken" by others. Both husband and wife are considered extremely ambitious.

"It sounds insane, but I do love politics," says Teresita. "When you really believe in an idea, there is a sharing; people in politics are like an extended family." She has been involved in the struggle for so long that she automatically uses "we" when discussing her husband's role.

"I was one of the first wives in Panama to campaign," she says. The Cuban-born Teresita, now 46, shocked many Panamanians when she refused to play the docile wife. Twenty-five years ago, as she set off to attend a political rally with Arias Calderon, her husband's stepfather admonished, "Ladies do not go there." Teresita asked, "Well, do mistresses go?" He replied, "Oh yes, mistresses go." Teresita replied, "Then I go."

Teresita, who has become in effect the First Lady of Panama by virtue of President Endara's widower status, remains outspoken. The anger Teresita felt over American policy toward Panama did not go unchecked around U.S. officials.

"I remember once asking a member of the State Department if he would have Noriega for president and he said, 'No. Never!' And I said, 'So what makes you believe that you are better than I am? That he is good for me and he is not good for you.' "

What was his answer? "He had none. Many people in Panama felt that this invasion was almost something the United States owed the Panamanians.

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Noriega was the CIA man, he was supported and armed by them and when he became a monster completely out of control how could we get rid of him? The [U.S.] policy was just dreadful."

The Arias Calderons could have lived a life of academic ease anywhere in the world, had they not chosen to return to fight in Panama. As they conduct business amid the chaos of a friend's apartment where they were sent by the U.S. military following the invasion, phones jangle constantly, MPs screen visitors, maids cook and clean noisily in the kitchen, Arias Calderon talks to dignitaries at the dining room table. As he races off for Mass, his wife settles into a sofa to talk about their life of exile and oppression.

Teresita recounts her version of the bad times. "It was like Beirut. People were shot, burned, beaten with hoses, tear-gassed, put in prison." She was tear-gassed and sprayed with water "that had some sort of acid in it; we took refuge in a store and washed it off."

Meanwhile, her husband, Ford and Endara were being attacked as they marched in a front row. "Endara was hit in the head and an aide pulled my husband back as the man raised the pipe to hit him." Kicked to the ground, Arias Calderon was still able to run down one street, and Endara another.

"Ford made a mistake and ran back to his car," she recounts. "It was horrible. They shot them inside the car. Bodyguards took the bullets as they fell on Ford; one is alive and another dead. Noriega later sent a message to Ford, 'The blood on your guayabera is not yours.'" A picture of the bloodied Ford telegraphed to the world what it was like to oppose Noriega. Although the three men overwhelmingly won the 1989 election, it was voided by Noriega. (In the early hours of last month's invasion, they were finally sworn in, on an American military base.)

But the worst incident for Teresita -- even worse than "Black Friday" -- was a 1987 rally when they were trapped in front of a radio station. She produces a picture of her husband, surrounded by a sea of Noriega's armed forces, helmets shining in the sun, raised arms gripping rubber hoses. Her husband has his arms outstretched in a futile attempt to shield the people on both sides of him.

"We heard the shots and then came the tear gas, which really makes you panic because you cannot breathe or see. I knew that they were hitting Ricardo, I lost track of my children, Martin, and Ignacius [then 17 and 14]. Some friends grabbed me and my feet never touched the ground as they took me out. The PDF became wild, insane. They hit old women, old men, children. Several were blinded by birdshot."

When Arias Calderon returns from Mass, he takes up the story of his life. He quickly mentions that his wife fostered his resolve: "I never do something that I cannot talk to her about." He sidesteps questions about their political disagreements. "I deal more with abstractions. She has a greater capacity to relate to people. If she had her din, associate professor of international religion and vice provost for academic affairs at Florida International University.

Still, Arias Calderon returned to Panama, burning to revolutionize its politics. Here he met Teresa in 1963. Fleeing Cuba, she had come to Panama to

short
loose
jacket

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work for the Catholic Church. They married in 1964, hardly pleasing Panama's upper-class matrons, who viewed Arias Calderon as a supreme catch for their own daughters.

Arias Calderon was dissatisfied with the existing political parties and attached himself to the fledgling Christian Democratic party. Lacking charisma, he was an indefatigable organizer who excelled in person-to-person politics. Noting that the 300,000-strong Christian Democrats are organized throughout Panama, Breslin says with a laugh, "The philosopher king was an A-number-one ward healer."

A smile spreads across Arias Calderon's face as he says, "They used to say we could all fit into a Volkswagen. So I keep a #C 66 and dances, the best schools. His mother remarried, to a man who had been an ambassador to the United States. It seemed natural that Arias Calderon would study at Culver Military Academy in Indiana and then at Yale, where he majored in English literature.

At Yale, Arias Calderon went through a "very strong religious crisis." Reluctant to describe this period, he says only, "When I worked my way through that and came out of it, religion became a core part of my life. That is part of my resilience. I am convinced that in many ways we are in God's hands and you do what you can, and that's all you're asked."

While studying philosophy at the Sorbonne, according to friends, Arias Calderon became a disciple of Jacques Maritain, the French Catholic philosopher. There is no room for liberation theology in Arias Calderon's high church doctrine. And his politics are center right. "The term 'revolutionary' would be abhorrent to him, he's that much of a conservative," says friend Tom Breslin picture of a Volkswagen on my desk to remind me. We now will have close to 30 members in the national assembly and the president has appointed five of 13 cabinet ministers from the party."

Some Panamanians distrust the coalition of Endara, Ford and Arias Calderon -- all from elite families. They fear it will bring a return to oligarchic dominance, like the nominal democracy that preceded populist dictator Omar Torrijos, who died in an airplane crash in 1981. Arias Calderon protests that his party is "not expressive of just one geographical sector. It really is a national party."

Arias Calderon characterizes himself and his party as "centrist. Like the rest of the world, we have to join the realities of today and go toward a more market economy." Teresa explains that teaching in a national university "set us apart from what was expected from someone in our social level." And she adds, "They call the Christian Democrats 'watermelons': green -- our colors -- on the outside and red inside. But this party is open to anybody."

Arias Calderon has met with West Germany's Helmut Kohl and other powerful Christian Democrats in European and Latin American countries. If Panama's Christian Democrats remain strong, such international support may, indeed, provide leverage and independence from the United States for Arias Calderon, who almost certainly will seek the presidency in Panama's next election, now five years off.

In Exile

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In 1972, the Arias Calderons decided to leave Panama. For the next seven years they lived in Miami, where Arias Calderon became dean of arts and sciences and then vice president for academic affairs at the newly formed Florida International University.

He lived two lives -- carrying on his dissident politics, under constant threat and with phones tapped, while making his mark at a campus filled with Latin American students.

Popular, respected and demanding, he made enemies of those who opposed the direction in which he took the university. Arias Calderon "upgraded the whole concept of what you had to do to be a tenured professor," says one FIU academic, insisting, for example, that PhDs and post-doctoral research become prerequisites for tenure. Once, Arias Calderon overruled what had been a unanimous selection for tenure because he felt the professor was unqualified.

"But he was painfully tactful at times; he didn't operate with a blunt ax, he operated with a stiletto," recalls Mark Rosenberg, director of FIU's top-ranked Latin America and Caribbean Center. Arias Calderon often played the "great confessor," skillful at gathering and using invaluable information about the university and its employees.

Friends say religion and family provided a center to his life. "If he had to go pick up the kids, he just left to pick up the kids. He was without a doubt the proudest of parents," says Breslin. "Very different from most Latin males, Ricardo was very concerned for his daughters' educations." (His oldest daughter, 25, is a lawyer living in Panama, and the second is a computer engineer getting a master's at Tulane University. One son is a law student at the University of Pennsylvania and the youngest is a freshman at Notre Dame.)

Although he was always concerned about his family's safety, the lure of Panama drew Arias Calderon back in 1980. Turning down the offer of FIU provost, he said his future belonged with his country.

Coming Home

After the death of Omar Torrijos, the political climate grew more dangerous under Noriega. In 1988, while traveling from Panama to the United States for a conference, Arias Calderon and his wife were accosted at the Miami Airport by some of Noriega's men in civilian clothes, carrying guns. They forced the couple onto a plane bound for Costa Rica. There, international Christian Democrat contacts rallied around; a month later they returned to Miami, this time surrounded by a phalanx of these friends.

Last October, Noriega's troops arrested Arias Calderon and his entourage as they promoted an economic boycott of the Noriega-controlled government in Panama's countryside. He was detained for 20 hours.

But three months later, in a lightning change of fortune, Noriega is in jail in Miami and Arias Calderon moves with power and ease in Panama.

Now it is his turn to meet with the likes of Maj. Gen. Marc Cisneros, commander of U.S. Army South. Through the security-darkened parking garage and darkened elevator, Cisneros moves to meet with Arias Calderon in his apartment.

(c) 1990 The Washington Post, January 30, 1990

Greeting Cisneros, Arias Calderon -- with a smile and joking manner that does not conceal the sensitive point he wants to make -- says, "This is proof that the vice president of Panama doesn't go to the [U.S.] general. The general comes to the vice president!"

"As it should be," replies Cisneros. "How are you, Mr. Vice President?"

It was just a little diplomatic pas de deux, but Arias Calderon acquaintances find symbolism in the dance. Today, he walks the political high wire. He must deal with the United States as well as Latin countries inflamed by the invasion. And he remains mindful of a restive nationalism beneath the post-invasion euphoria. Throughout all this, they say, Arias Calderon will be hard to push around, that he will operate his way -- with toughness and subtlety.

When Arias Calderon left FIU, he gave a marble frog to a colleague. The frog, he said, was symbolic of the discipline that one needs to gain the prize: "A frog will wait all night, listen, observe. And then, when the frog feels he can get what he wants -- leaps."

Arias Calderon could afford to leave the frog with his friend. The moral is forever fixed in his mind.

GRAPHIC: PHOTO, PANAMANIAN FIRST VICE PRESIDENT RICARDO ARIAS CALDERON. MARGARET THOMAS; PHOTO, AP

TYPE: FOREIGN NEWS, BIOGRAPHY

SUBJECT: PANAMA; POLITICIANS

NAMED-PERSONS: RICARDO ARIAS CALDERON

LEVEL 1 - 2 OF 10 STORIES

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Financial Times

March 8, 1988, Tuesday

SECTION: SECTION I; American News; Pg. 4

LENGTH: 516 words

HEADLINE: Angry Pensioners Denounce Noriega

BYLINE: David Gardner, Panama City

BODY:

The old man, bent and toothless, beat his cane in fury against the bright plate glass of the Treasury window. "Thieves," he cried, "rateros (muggers), get out, go, go."

At the entrance to the Finance Ministry, a knot of incensed pensioners were trying to break down the doors. "Out with pineapple-face," chanted an elderly lady at the front, referring to the pock-marked face of Panamanian military strongman, General Manuel Antonio Noriega, and raising a pineapple in one hand and her worthless bi-weekly pension cheque in the other.

Panama City's 60,000 pensioners were due to be paid yesterday morning, the first in a queue of payroll obligations the bankrupt military-dominated regime will not be able to meet this week.

By mid-morning the old folk had practically paralysed the city, blocking six main streets, the trans-Isthmus highway, the areas around the Treasury and the Banco Nacional de Panama (BNP) in the heart of the 125-bank International Finance Centre, closed since last week because there is no cash - literally.

The BNP, the state clearing bank, has Dollars 17 m left, after last week's US-backed freeze of Panama's remaining liquid assets.

There are many reasons for this, but none which would cut any ice with the insurrectionary pensioners, who squarely blame Gen Noriega and the 15,000-strong National Guard, and want him out.

Two hundred yards from the Treasury in the blockaded Plaza Porras, where the regime yesterday afternoon held a trade union rally in defence of national sovereignty, a frail and grey lady sat on a National Guard jeep, banging its bonnet, insulting a sheep-faced police captain and his mother.

Carlos Lince, aged 70, a retired guardsman, said: "Noriega and his mafia have done all this; everybody says that, but we say it in the Guard, too. These thieves have stolen the country, while we can't cash a cheque anywhere."

He spoke with reverence of the late General Omar Torrijos, the flamboyant populist who negotiated Panama's Canal back from the US and called himself a soldier of the poor.

"Torrijos for sure was a great man," said Mr Lince, linking his assertions with Creole expletives. "They are all the same," shouted another,

contradicted by a third, who argued that "at least they paid."

The pro-regime rally eventually attracted less than 400 supporters, illustrating the regime's increasing isolation from civilian support.

Panama's crisis took a new turn ten days ago, following Gen Noriega's palace coup against figurehead President Eric Delvalle. However, the political stand-off between the regime and the opposition has been quickly subsumed into the twin fiscal and bank crises, overshadowed by the Reagan Administration's militant antagonism towards Noriega.

Though it is difficult to imagine a 73-year-old grandmother beating her fists on a police jeep as the spark for an uprising, there are going to be a lot of angry, cashless people on the streets of Panama this week, including the police, most of them due to be paid on Thursday. The pensioners' insurrection may have opened a crack in the dam.

LEVEL 1 - 7 OF 10 STORIES

Copyright (c) 1987 Reuters

August 17, 1987, Monday, AM cycle

LENGTH: 338 words

HEADLINE: SINGING AND DANCING AT PANAMA ANTI-GOVERNMENT RALLY

BYLINE: By Angus MacSwan

DATELINE: PANAMA CITY, Aug 17

KEYWORD:
CENTAM-STRIKE

BODY:

More than 5,000 people sang and danced in a fiesta-like protest against the Panamanian government today but an opposition call for a general strike was only partially heeded.

The demonstration was the latest in a wave of protests calling for the ouster of military chief Gen. Manuel Antonio Noriega, considered the power behind the civilian president and accused by opponents of corruption, political murder and electoral fraud.

Soldiers armed with anti-riot gear took up positions in the Plaza Porras in central Panama City but withdrew before the rally.

Carlos Abadia, one of several leaders of the opposition National Civic Crusade who addressed the crowd said, "There will be no freedom and justice until the military returns to its proper role and gets rid of its corrupt leader Noriega."

Most of the mainly middle class crowd wore white, the color adopted by the opposition movement, and waved white handkerchiefs, jumped, danced and chanted rhyming slogans.

Leaflets urged Panamanians to boycott the government-run national lottery, not to buy luxury goods or pro-government newspapers, avoid shops that did not support the civic crusade and not to bet on horses.

President Eric Del Valle owns several race horses.

Earlier today a general strike slowed down businesses but failed to shut down the city.

Some banks in the financial district opened but many employees did not turn up for work. About half the district's shops were closed.

The old part of the city was bustling, however, with few shops heeding the strike call. Taxis and buses were running normally.

A key Latin American finance center and strategically important because the Panama Canal, Panama has been hit by a series of protests and business strikes since early June.

(c) 1987 Reuters, August 17, 1987

The unrest flared after Noriega's former second-in-command leveled the charges of corruption, murder and fraud against him.

The government has said the movement has been backed by the United States and has little popular support outside the middle class business sector.

The Associated Press

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June 30, 1987, Tuesday, AM cycle

SECTION: International News

LENGTH: 484 words

HEADLINE: Demonstrators Stone U.S. Embassy

BYLINE: By ALINA GUERRERO, Associated Press Writer

DATELINE: PANAMA CITY, Panama

KEYWORD: Panama

BODY:

Thousands of supporters of Panama's military-controlled government demonstrated Tuesday against alleged American "intervention" and some threw stones at U.S. Embassy buildings.

But thousands of other Panamanians staged at the same time a counterdemonstration against the government of President Eric Arturo Delvalle. They honked car horns, banged pots and pans and waved white handkerchiefs to demand a military withdrawal from politics and investigations into alleged corruption.

Witnesses said at least 10 vehicles parked in the U.S. Embassy compound were damaged by rocks during the pro-government demonstration.

Police made no report of injuries or arrests in either demonstration.

Eight Cabinet ministers and other top officials led the anti-American demonstration, the latest in a series of actions protesting a non-binding resolution passed by the U.S. Senate last week calling for free elections and an end to military meddling in Panama's politics.

The resolution also criticized Gen. Manuel Antonio Noriega, who, as commander of the Defense Force, is Panama's military strongman, and called for an independent investigation of allegations made against him.

A recently retired colonel claimed that Noriega was linked to election fraud in 1984, the 1985 killing of a political opponent and the death of Gen. Omar Torrijos in a 1981 plane crash. Torrijos at the time was Panama's military ruler.

The National Legislature, in a vote early Tuesday, lifted the 19-day state of emergency that restricted civil rights. Delvalle imposed the state of emergency after two days of rioting by opposition groups demanding Noriega resign and that democracy be restored.

The Associated Press, June 30, 1987

But earlier at the same session, the legislators by a 39-0 vote with all 22 opposition members absent, attacked the U.S. Senate resolution as "interventionist aggression" and demanded the expulsion of U.S. Ambassador Arthur Davis.

In the anti-American rally, an estimated 30,000 demonstrators gathered at mid-morning in the Plaza Porras outside the Foreign Ministry building and then divided into separate groups that marched to the U.S. Embassy compound, the American Consulate and the U.S. Information Agency.

About 15,000 went to the embassy compound, seven blocks away, where they painted slogans on the outer walls and stoned the main building and the parking lot for more than an hour.

"Davis, get out of here," some chanted.

Romulo Betancur, chairman of the Democratic Revolutionary Party, the leading party in the governing coalition, headed the demonstration outside the embassy.

The anti-government "noise riot" was organized by the Civilian Crusade, a group of opposition political parties and civil rights organizations, that has been demanding government reforms and an end to alleged corruption. The horn-honking and pot-banging protest was widespread and there was no estimate of how many people participated.

LEVEL 1 - 5 OF 10 STORIES

Copyright 1987 Reuters
The Reuter Library Report

August 17, 1987, Monday, AM cycle

LENGTH: 388 words

HEADLINE: TROOPS DEPLOYED IN PANAMA FOR STRIKE

BYLINE: By Angus MacSwan

DATELINE: PANAMA CITY, Aug 17

KEYWORD:
CENTAM-STRIKE

BODY:

Security forces took up positions in the streets of Panama City today ahead of a major anti-government demonstration as a general strike called by the opposition slowed down business.

The banking district, heart of the protests which have shaken this strategic Latin American financial centre since early June, was working at half pace.

Banks were open but many employees failed to show up for work. About half the shops were closed and others have been boarded up for weeks because of the unrest.

The old part of the city was bustling as usual, however, with few shops closed.

"The boss didn't say to close but we might later if there's trouble," said the manager of a shoe shop.

Police with truncheons patrolled the pavements and stood in shop doorways.

At the Plaza Porras, where a major rally is planned for this afternoon, soldiers armed with shotguns, tear gas and clubs had already taken up position.

Police officials have warned they will ensure free circulation of traffic if protestors try to block the streets.

Panama has been wracked by demonstrations against de facto military ruler General Manuel Antonio Noriega since his former second-in-command, Colonel Roberto Diaz Herrera, accused him of corruption, political murder and electoral fraud.

The protest movement is spearheaded by the National Civic Crusade, a largely middle class organisation made up of business and professional people and students.

Most of the protests have taken on a carnival air, with people waving flags, honking car horns and decking the streets in white paper.

1987 Reuters; August 17, 1987

But some have been broken up by police with tear gas and birdshot.

The strike was not as well followed as earlier ones but Crusade leader Dr Mauro Zunigo told Reuters he considered it a success.

He said professionals such as lawyers and doctors were almost all heeding the call, as were bank employees and businessmen.

Commercial enterprises had not been expected to join in with so much enthusiasm as they were not so closely involved with the movement, he said.

The strike was originally supposed to last indefinitely but was changed to a 24-hour walkout. Analysts saw this as a sign that the opposition wanted to avoid an all-out confrontation which could threaten Panama's main sources of income -- the banking industry and the Panama Canal.

SUBJECT:
POLITICS; DISORDERS, RIOTS; STRIKES

LEVEL 1 - 3 OF 10 STORIES

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March 1, 1988, Tuesday, Final Edition

SECTION: FIRST SECTION; PAGE A14

LENGTH: 764 words

HEADLINE: Panamanian Strike Gathers Steam;
Much of Capital's Industry, Commerce Closes in Noriega Protest

BYLINE: William Branigin, Washington Post Foreign Service

DATELINE: PANAMA CITY, Feb. 29, 1988

BODY:

A general strike called by opponents of Panamanian strongman Gen. Manuel Antonio Noriega started slowly today but appeared to be gathering strength by late afternoon, shutting down much of this capital's industry and roughly half of its commerce.

The strike was hastily organized by business and professional groups after the military-dominated regime controlled by Noriega deposed President Eric Arturo Delvalle Friday and installed a new figurehead civilian president. Delvalle, who unsuccessfully tried to fire Noriega as commander of the Panama Defense Forces, fled his home early Saturday and remained in hiding today to avoid expulsion from the country by the military.

According to Horacio Icaza, a director of the Panama City Chamber of Commerce and a member of the opposition National Civic Crusade, the strike closed about 70 percent of the industry and commerce in the capital. He said the strike was most successful in the industrial sector, with 90 percent adherence by members of the Union of Industrialists of Panama.

A diplomat estimated the strike was "roughly 65 to 70 percent effective" in the capital, with mixed results elsewhere around the country. She said the port city and free-trade zone of Colon was 60 percent closed, but that the Panama Canal was not affected by the strike.

Manuel Solis Palma, who was named acting president at the military's behest Friday to replace Delvalle, put the strike's effectiveness at only 40 percent in the capital and said public transportation, which is controlled by government supporters, functioned normally.

Solis Palma, who had served as education minister under Delvalle, told reporters at a central plaza that foreign governments would soon recognize him as Panama's president.

"We represent the constitutional order, and this situation is not understood because of the huge propaganda by the United States," Solis Palma said.

At about the same time as Solis Palma was appearing at a ceremony in a government building at the Plaza Porras, police arrested National Civic Crusade leader Aurelio Barria as he was trying to enter the nearby Chamber of Commerce building, which was closed by the military Thursday. Barria was held

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for about an hour and then released.

The strike, now set to end Wednesday, received backing from the country's two main opposition political leaders, Authentic Panamanian Party chief Arnulfo Arias and Christian Democratic Party President Ricardo Arias Calderon. They signed a statement of support in Miami yesterday, and it was distributed by followers late last night. Arias Calderon was refused reentry into the country from a trip abroad after Delvalle announced his abortive dismissal of Noriega.

Strike organizers acknowledged that the work stoppage started slowly because today was payday for many employees. Many shops and businesses opened in the morning to pay their workers, then closed later, strike organizers and merchants said.

Some shopkeepers interviewed in different parts of the city also said they felt threatened by warnings from the military that their stores might be looted by mobs if they went on strike.

"We wanted to close because we're against Noriega," said a shopkeeper selling beans and rice at a stall in the Public Market in the old quarter of Panama City. "But we were threatened that if we closed, people would come and rob us, so we stayed open."

A headline in the Noriega-controlled newspaper Critica warned today that a "business closed" is a "business seized." It quoted a leading civilian supporter of Noriega, Virgilio Perinan, as warning that hungry mobs could break into closed stores in search of food or medicine.

The strike appeared to be least effective on Central Avenue in downtown Panama City, where merchants said they remained open despite opposition to Noriega because they feared reprisals.

Luis Montezuma, 36, the assistant manager of a shoe store, called the warnings of mob action "a form of intimidation" by the Defense Forces.

"Eventually Noriega is going to leave because of the pressure, but now he has the power, so it's difficult," Montezuma said. "Panamanians don't want violence. We're looking for peaceful measures."

Across the street, a man in a tan uniform wrote down in a black notebook which shops were open and closed.

Nearby, a Noriega supporter expressed opposition to the work stoppage. "I see the strike as weak," said the man. Standing on a street corner holding a sign advertising a textile shop, he said he supported Noriega because he was "defending the sovereignty of the Panama Canal."

GRAPHIC: PHOTO, PANAMA CANAL SECURITY WORKER SPEAKS ON WALKIE-TALKIE. CANAL OPERATIONS REMAINED NORMAL DESPITE TENSIONS. UPI/REUTER

TYPE: FOREIGN NEWS

SUBJECT: PANAMA; UNION ACTIONS; POLITICS; FOREIGN HEADS OF STATE

(c) 1988 The Washington Post, March 1, 1988

NAMED-PERSONS: MANUEL ANTONIO NORIEGA; ERIC ARTURO DELVALLE

LEVEL 1 - 4 OF 10 STORIES

Copyright (c) 1987 Reuters

August 18, 1987, Tuesday, PM cycle

LENGTH: 337 words

HEADLINE: SINGING AND DANCING AT PANAMA ANTI-GOVERNMENT RALLY

BYLINE: By Angus MacSwan

DATELINE: PANAMA CITY, Aug 18

KEYWORD:
CENTAM-STRIKE

BODY:

The latest protests calling for the ouster of military chief Gen. Manuel Antonio Noriega took on a carnival atmosphere as some 5,000 people sang and danced in the streets, and an opposition call for a general strike was only partially heeded.

Soldiers armed with anti-riot gear took up positions in the Plaza Porras in central Panama City but withdrew before yesterday's rally.

The demonstration was the latest in a wave of protests calling for Noriega, accused by opponents of corruption, political murder and electoral fraud, to step down.

Carlos Abadia, one of several leaders of the opposition National Civic Crusade who addressed the crowd said, "There will be no freedom and justice until the military returns to its proper role and gets rid of its corrupt leader Noriega."

Most of the mainly middle class crowd wore white, the color adopted by the opposition movement, and waved white handkerchiefs, jumped, danced and chanted rhyming slogans.

Leaflets urged Panamanians to boycott the government-run national lottery, not to buy luxury goods or pro-government newspapers, avoid stores that did not support the civic crusade and not to bet on horses.

President Eric Del Valle owns several race horses.

Earlier in the day a general strike slowed businesses but failed to shut down the city.

Some banks in the financial district opened but many employees did not show up for work. About half the district's shops were closed.

The old part of the city was bustling, however, with few shops heeding the strike call. Taxis and buses were operating normally.

A key Latin American finance center and strategically important because of the Panama Canal, Panama has been hit by a series of protests and business strikes since early June.

(c) 1987 Reuters, August 18, 1987

The unrest flared after Noriega's former second-in-command leveled the charges of corruption, murder and fraud against him.

The government has said the movement has been backed by the United States and has little popular support outside the middle class business sector.

LEVEL 1 - 9 OF 10 STORIES

Copyright 1987 The Christian Science Publishing Society
The Christian Science Monitor

June 15, 1987, Monday

SECTION: International; Pg. 13

LENGTH: 614 words

HEADLINE: Panama: a 'crusade' against corruption

BYLINE: Peter Ford, Special to The Christian Science Monitor

DATELINE: Panama City

BODY:

The red granite building on Plaza Porras is an unlikely headquarters for the attempted overthrow of a Central American military strongman.

Far from being a safe house filled with guerrillas, it is in fact the Panamanian Chamber of Commerce, filled with well-heeled businessmen.

Lacoste sports shirts, rather than Leninist slogans, are the hallmarks of the revolt under way against the Army commander, Gen. Manuel Antonio Noriega. Although the 'national civic crusade' against Panama's de facto leader appears widely popular, it seems unlikely to spark the sort of mass action that might sweep the general from power, diplomats here say.

The 'crusade' was launched last week by professional and civic groups pressing for inquiry into charges that General Noriega had murdered political rivals and fixed elections in 1984.

Leveling those accusations was Col. Roberto Diaz Herrera, the former Army chief of staff who was forcibly retired on June 1. Colonel Diaz said Saturday night that he had given the United States Embassy here documentary evidence that Noriega planned the death of then-Panamanian leader Omar Torrijos Herrera, killed in a mysterious plane crash in 1981.

The colonel also implicated Noriega in the killing of prominent opposition figure Hugo Spadafora, whose body was found along the Costa Rican border in 1985.

Suspensions of Noriega's involvement in such crimes have long been widespread in Panama. 'But it's one thing to hear something; it's another to hear it confirmed by someone who participated,' says Aurelio Barria, president of the Chamber of Commerce.

Though the 'crusade' has centered on demanding Noriega's resignation, leaders say its broader goal is to rid Panama of the widespread corruption they blame on the military. The civilian government has called Diaz 'paranoiac' - reporters have indeed found him emotionally distraught - and imposed a state of emergency to quell riotous protests that erupted here last week.

'Crusade' leaders have edged around a ban on public meetings by organizing a series of masses in Roman Catholic churches. On Saturday afternoon, some

The Christian Science Monitor, June 15, 1987

3,000 protesters, wearing white shirts or blouses, attended such a service, as riot police armed with tear gas and shotguns watched from across the street, and two Army helicopters clattered noisily overhead.

Supported by conservative opposition political parties, the "'crusade'" intends to keep up the pressure on Noriega to resign by continuing the business strike it called last Thursday. With the Panamanian economy heavily dependent on the service sector - including more than 100 international banks that have branches here - Mr. Barria says he hopes his alliance of bankers, industrialists, doctors, shopkeepers, teachers, architects, and engineers, can shut down the country by refusing to open their businesses. But the Bankers Association, in a blow to those hopes, announced banks would function normally today. This appeared to take a powerful weapon from the "'crusade's'" hands.

The middle-class alliance has pulled together swiftly, but poorer Panamanians, in the capital and in the countryside, have proved harder to organize. Forbidden by the state of emergency to take to the capital's streets, residents of the sprawling working-class San Miguelito district have resorted to banging pots and pans for 15 minutes at noon each day, and again at 6 p.m. "'We do it because we don't like the senor on the throne,'" explained Yanetta Adames, sitting on the porch of her concrete-block house.

"'The people in the poor barrios are afraid'" of violent retaliation from the Army, should they take to the streets, said one Western diplomat.

GRAPHIC: Picture, Protester waving Panamanian flag, AP

Negative

LEVEL 1 - 10 OF 10 STORIES

The Associated Press

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January 10, 1979, AM cycle

LENGTH: 320 words

BYLINE: By TOM FENTON, Associated Press Writer

DATELINE: PANAMA CITY, Panama

KEYWORD:
Panama

BODY:

Thousands of Panamanians marched through the capital Tuesday in demonstrations marking the 15th anniversary of riots on the Canal Zone border that killed 24 persons, including three Americans.

Members of President Aristides Royo's Cabinet attended the largest of several gatherings, which assembled at Plaza Porras under banners reading: "Martyrs of January, your sacrifice has not been in vain."

Former Foreign Minister Nicolas Gonzalez Revilla told the crowd:

"Today the Panamanian nation halts its daily activities to remember those who, in an unfair battle, fell victim to the war machines and intransigence of the most powerful nation on earth."

Gonzalez Revilla, now head of the Revolutionary Democratic party organized by Gen. Omar Torrijos, said the mandate issued by those killed will be fulfilled when the Panama Canal is turned over to Panama under the new treaties.

Panama declared a day of national mourning, and businesses and government offices were closed.

The 1964 disorders stemmed from a flag-raising incident at Balboa High School.

For two days students at the school had raised the American flag along, ignoring an agreement between President Kennedy and Panamanian President Roberto Chiari that both flags would fly together at the school and other locations.

Word of the American student action spread quickly and on Jan. 9 about 200 Panamanian students marched into the zone and tried to raise their flag at the school.

Panamanians say the flag was torn from them by the Americans, ripped and trampled.

The Panamanians were chased out of the zone. But later the same day thousands of Panamanians, some armed, tried to storm the zone, where they were

The Associated Press, January 10, 1979

repelled by gunfire from U.S. troops and Canal Zone police.

Officials generally agree that in three days of fighting 21 Panamanians, mostly students, and three Americans were killed, although some put the figures higher.

Militarism in Police

PAGE 1

LEVEL 1 - 1 OF 6 STORIES

Proprietary to the United Press International 1990

August 17, 1990, Friday, BC cycle

SECTION: International

LENGTH: 576 words

HEADLINE: Panamaina street cops complain of militarism in police force

BYLINE: BY JOHN OTIS

DATELINE: PANAMA CITY, Panama

KEYWORD: PANAMA

BODY:

The Panamanian police force must purge scores of officers from its ranks to gain the public trust and stamp out an entrenched atmosphere of militarism, some police officers said.

In interviews with a dozen members of the Public Force -- built from ousted military ruler Manuel Noriega's Defense Forces -- street cops said officers who committed crimes under Noriega remain on the force and are giving it a bad name.

When U.S. troops ousted Noriega in December and installed President Guillermo Endara, the Endara government decided to mold the bulk of the Panamanian army into a police department.

Soldiers traded their machine guns and camouflage for revolvers and khaki uniforms. Street-beat police work 8-hour shifts, earn about \$280 per month and live at home instead of in barracks.

Although they dismiss the possibility of a coup against Endara, some policemen said militarism persists, while others said they still consider themselves soldiers.

"They (Public Force officers) still treat us as if we were soldiers," said one policeman, who declined to give his name. "The system of Noriega is still too much a part of the Public Force."

"I trained to be a soldier, not a policeman," said a former paratrooper in Noriega's army. "There are friends of mine who consider themselves soldiers and not policemen and they will always be like that."

Ernesto Rodriguez, who patrolled outside a downtown hotel, said it may take three years or more to complete the conversion from army to police force.

"Some policemen would prefer to be soldiers," added Fernando Valencia as he patrolled the capital's Curundu slum area.

"You can't become a polieman just because someone says, 'You are a policeman,'" he added. "A soldier in the mountains is not the same as a policeman in the city."

Proprietary to the United Press International, August 17, 1990

In rehiring the disbanded army for the Public Force, the Endara government reasoned that the soldiers were qualified and that thousands of unemployed troops would become a security threat.

Noriega's loyalists were supposedly weeded out while colonels and most lieutenant colonels were banned from the force. However, 60 percent of the majors, 69 percent of the captains and 81 percent of the lieutenants remain, according to government figures.

Doubts about Public Force officers go right to the top. Col. Eduardo Herrera Hassan, chief of the Public Force, directed security during the violent crackdown on hundreds of anti-Noriega protestors on July 10, 1987, a day known as "Black Friday."

"They (the officers) are the same people in the same positions -- the same people who captured and tortured civilians," said a policeman, who would not give his name. "They need to fire more of these people -- from captain on up."

A few policemen said concerns about Public Force officials are exaggerated and based on rumor rather than fact. But Manuel Melendez, a policeman who works in the El Chorrillo slum neighborhood, also felt holdovers from the Noriega regime have hurt the image of the force.

The makeup of the force remains the most controversial issue in Panama. In a recent poll here, 73 percent of respondents said they do not trust the Public Force and that it needs major reforms.

Melendez said there are still many policemen in high positions who were involved in criminal activities.

"They must leave. They are the ones who are giving us a bad name. They still have the ideology of the Noriega regime."

Negative - Problems in new Democracy

PAGE

3

LEVEL 1 - 2 OF 6 STORIES

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Chicago Tribune

July 29, 1990, Sunday, FINAL EDITION

SECTION: NEWS; Pg. 1; ZONE: C

LENGTH: 1530 words

HEADLINE: Panama's complaints: Crime, leaders, U.S

BYLINE: By Nathaniel Sheppard Jr., Chicago Tribune

DATELINE: PANAMA CITY

BODY:

As the harsh light of reality cuts through the euphoria following the U.S. invasion that toppled Gen. Manuel Antonio Noriega's regime last Dec. 20, Panamanians have begun to grumble again.

The American-backed government of President Guillermo Endara, seven months in power, is under public fire because of a lack of confidence in a new police force, accusations of nepotism and a widespread belief that Washington actually runs Panama.

The government has struggled to claim a new era of reform and democracy. But saddled with \$5 billion in external debts and reluctance by some bureaucrats to abandon longstanding practices of graft, it remains unable to point to specific accomplishments.

Three bullet-riddled apartment buildings that were reminders of the invasion have been repaired and refurbished.

The economy, according to economist Rogelio Alvarado, has managed a 2 percent growth, a turnaround from a 25 percent decline.

Government officials said they had provided housing, with U.S. assistance, for some 10,000 people whose homes were destroyed in the invasion.

Yet 2,000 people displaced by the invasion continue to live in an old U.S.-built airport hangar near the edge of town, trapped by a dispute about who is eligible for government assistance.

And the incidence of crime, an issue debated almost daily, continues to rise.

Endara and his vice presidents, Ricardo Arias Calderon and Guillermo Ford, have gone on the defensive after a barrage of criticism in the last month.

They have tried to deflect charges that each is working to consolidate power, underscoring the widely held view that their fragile coalition, born of expediency in the effort to oust Noriega, is showing cracks.

"These men did not see with the same eyes before they came to power, and they see less as one now," one diplomat said. "U.S. influence on the government has been substantial and likely will continue amid their disarray."



"There is very little confidence in Panamanian institutions, especially the new (police) Public Force."

There has been a spate of brazen daytime bank robberies and frequent muggings at night. Six banks have been robbed by gangs carrying automatic weapons. Several small tourist hotels and their clients also have been robbed.

Customs authorities recently confiscated two large cocaine shipments, one destined for Cuba and Spain and the other for Miami. Leslie Loiza, director of the Judicial Technical Police, said a cocaine laboratory may exist in the jungles of Darien province.

Diplomatic sources said the continued presence in the police force of members of the former Panama Defense Forces - Noriega's private army - had created a situation where "U.S. forces must continue to hold their (Panamanian) hands until a new generation of police is trained."

U.S. troops accompany Panamanian authorities on virtually every assignment except directing traffic. Usually, it is the well-armed U.S. soldiers giving the orders during police calls.

Carrying sidearms and night sticks, members of the Public Force are no match for the gangs of robbers or drug traffickers. This has prompted most businesses to hire private security guards and to install metal security gates on windows and doors.

At some restaurants, patrons are identified through peepholes or windows before doors are unlocked. One large supermarket chain with all-night service has run a series of newspaper advertisements to assure customers their stores are safe. The ads depict store employees being instructed in the martial arts.

The Public Force's second-in-command, Aristides Valdonado, stepped down last month after accusations that he had beaten anti-Noriega protesters arrested at public protests in 1988 and 1989.

A complaint filed with the attorney general by a citizens group accuses Col. Eduardo Herrera, the head of the Public Force, of directing the brutal repression of anti-Noriega demonstrators on the day in July 1988 that is referred to as "Black Friday."

Herrera, who has refused to step down, said he was carrying out the orders of then-President Eric DeValle, who had banned protests.

Last week, Arias Calderon announced that three civilians would share power with Herrera.

"If we started from zero with no veterans of the defense force of Noriega we would have been faced with a significant military occupation by the Americans for five years," said Roberto Ibrahim Asvat, one of the new civilian police directors said after his appointment.

In the face of widespread unemployment - some economists estimate 80 percent of the work force is jobless - charges of nepotism are also a growing problem.

Last week, the Endara government was accused of padding the public payroll with family members despite its promises to trim the government bureaucracy to reduce federal spending.

Responses by the new leaders did little to ease public anger.

Endara said his only relative on the payroll was an uncle who directs the Social Security Administration. He is "recognized for his ability to help distressed businesses return to solvency," Endara said.

Arias Calderon said, "I only have four distant relatives in government service. I have no sons, brothers, uncles, cousins or in-laws on the government payroll. There are many people who carry the Arias name, but are distant relatives."

Ford acknowledged that one brother is Panama's ambassador to Spain, that another brother is general manager of the Colon Canal Free Zone and a nephew has a low-paying job in the customs department. He withheld comment on the charge that another nephew is executive director of the National Banking Commission.

The announcement of economic concessions made to the U.S. in exchange for \$243 million in aid also drew criticism.

The concessions were aimed at restoring Panama's international credit rating, the Government Gazette said. Debt service on Panama's \$5 billion debt will total \$540 million this year alone, and about \$130 million of that will be paid from the U.S. grant.

Government officials announced they would lower import tariffs, eliminate some import quotas and reduce the number of products subject to price controls to help improve commercial and trade policy.

No sooner had the new economic plan been made public than industry leaders attacked it.

"The government's new economic plan is not based on the realities of Panama but on recipes of the World Bank and International Monetary Fund pushed by the U.S.," said Ignacio Molino, second vice president of the Panama Industrial Syndicate.

Panama should lower energy, transportation and labor costs, Molino said. It also should cut 50,000 workers from the government payroll, which now numbers 150,000.

One Panamanian government official who asked not to be named said the financial arrangement was skewed to benefit the U.S.

"There are hospitals without medicines, people without jobs and government ministries without paper, but the U.S. is concerned that we use some of the aid to pay part of our external debt," he said.

"The best our government can do is get the best deal it can and try to make (the deficit) look less offensive than it really is."

Panama, he said, has learned to cast the best light on such arrangements.

"Many Panamanians say we were not invaded, that Americans were nice people who wanted to help us by getting rid of Noriega, that Panama was liberated for democracy," the official said. "I guess that makes it sound a lot better than saying we gave up part of our sovereignty."

The government has focused on the critical shortage of affordable housing. A May census found that 223,000 families require housing.

"The government alone can't solve the problem but with the help of private industry we may be able to work at solving two problems at once," said Housing Minister Raul Figueroa.

"We are formulating a national housing policy that will focus on construction. The construction industry is one of the best for offering employment, especially to unskilled labor. If we build enough houses we solve the problem of housing shortages and create jobs," he said.

The government plan will call for the construction of 100,000 housing units by 1994. He could not explain how families could afford the homes given the high rate of unemployment and tight money policies by banks offering only variable-rate mortgages with minimum interest rates of 12 percent.

Some Panamanians criticize the U.S. for doing too little and doing even that only in the 11th hour.

"We suffered economically because they had no plan for protecting property after the invasion and people, out of work and desperate, took everything they could carry from businesses," said Juan Handal, a re-insurance consultant.

"Now we have a situation wherein the U.S. helps Israel, which it has adopted as a stepchild . . . by spending \$2 billion a year to keep that country artificially afloat. But right here in the United States' back yard, where it has created a lot of damage, it is not willing to spend enough money to create jobs and good will."

This story is a composite of versions published in the various editions.

TERMS: PANAMA; GOVERNMENT; ECONOMY; CRIME; RELATION; UNITED STATES; AID

MAY 29, 1989

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ETHIOPIA

Fizzled Coup

But Mengistu's position remains precarious

Pomp and circumstance was the order of the day at Addis Ababa's Bole International Airport as Ethiopia's Marxist President, Lieut. Colonel Mengistu Haile Mariam, gave a group of progovernment dignitaries a pep talk and then flew off for a four-day state visit to East Germany. But within a few hours of his departure early last week, a group of senior army officers were in revolt against Mengistu's rigidly Marxist twelve-year-old regime.

The attempted coup began when rebel officers seized the Defense Ministry. Major General Haile Giorgis Habte Mariam, the Defense Minister, refused to join the revolt and was killed. There were reports of MiG-21s and helicopter gunships screeching over the capital and of tanks and armored personnel carriers converging on the ministry. Meanwhile, in Asmara, the northern provincial capital and Ethiopia's second largest city, Mengistu's Second Army, some 150,000 strong, was in mutiny. In sympathy with the rebellion, the Eritrean People's Liberation Front announced a two-week cease-fire in its 27-year-old war of secession.

Within a day, Mengistu rushed home to restore control. He cut off his country from the outside world, closing airports and telecommunications lines. By week's end the President announced that the coup had failed and vowed that his forces would "liquidate" the traitors. According to the State Ruling Council, most of the conspirators had surrendered. But the toll of the insurrection was high: nine generals, including the air force commander and the army Chief of Staff, had died.

Though he retains control for the moment, Mengistu's position is likely to remain precarious. His Soviet-supplied army is one of the largest and best equipped in Africa, but it has suffered what one Ethiopian officer called "disastrous, bloody chaos." Last March it was trounced by rebels from the Tigre People's Liberation Front, which has been fighting the government for twelve years. One year earlier, 19,000 government soldiers were routed by Eritrean forces.

Army officers say they are demoralized by political mishandling of military affairs and by worries of eventual weapons shortages as Moscow pressures Mengistu to settle the civil war. Much of the civilian population would also like to see their leader deposed. People were particularly angered when Mengistu ordered the forced conscription of 100,000 boys, some as young as 13. ■

America Abroad

Strobe Talbott

The Dukakis Approach

The debacle in Panama is a reminder that the U.S., to its everlasting credit but also to its occasional grief, was never cut out for imperialism. Even the vestige of such an adventure at the beginning of the 20th century is enough to complicate American domestic politics and foreign policy alike at the end of the century. Teddy Roosevelt not only dug the big ditch but helped carve out the little nation around it by supporting secessionists in a malaria-ridden province of Colombia. But no good deed in the pursuit of empire goes unpunished. The legacy that T.R. left his successors has turned increasingly from a strategic and commercial boon to a political curse. The spectacle of Panamanians tearing down U.S. flags marred the last days of Dwight Eisenhower's term and the first of Lyndon Johnson's.

Jimmy Carter wisely signed a treaty that provides for Panamanian sovereignty over the canal in 1999. He went a long way toward defusing the anti-Americanism that has been an obstacle to U.S. policy in Latin America. But he paid a heavy price at home. The "giveaway" increased Carter's vulnerability on the right and softened him up for his eventual defeat in 1980. Last year's feckless attempt to oust Manuel Antonio Noriega turned into one of the fiascos of the Reagan Administration.

Now it is George Bush's turn. So far, he has made the best of a bad situation. After Noriega stole the Panamanian election, Bush consulted regional leaders and downplayed the threat of military intervention. The result has been the isolation of Noriega and the reassurance of other Latin Americans about U.S. methods and intentions. Last week the Organization of American States passed a resolution holding Noriega responsible for "abuses" and called on him to surrender power.

But precisely those features of his Panama policy that have served Bush well make a mockery of a prominent theme in his presidential campaign. As a candidate, Bush lambasted Michael Dukakis for advocating the sort of military restraint and multilateral



Now Noriega invokes T.R.

diplomacy on which Bush has relied as President.

In a speech to the American Legion on Sept. 7, Bush quoted Teddy Roosevelt on how "sentimentality" is out of place when vital national interests are at stake. He cited the 1983 invasion of Grenada and the 1986 bombing raid on Libya as models of the way the U.S. should protect itself against enemies who are doing Moscow's dirty work. At numerous rallies Bush suggested that Dukakis would be like Carter, whom he accused of having presided over "America's retreat in this hemisphere and around the world"—an echo of the canal sellout charge.

Yet when Bush found himself in his first foreign policy crisis, the threat had nothing to do with the Soviet Union or its minions. The Monroe Doctrine, which proclaims the U.S.'s determination to keep the real imperialists from Europe out of the Western hemisphere, is irrelevant. Noriega is Uncle Sam's creature as well as his nemesis. Some Administration officials made a brief, silly attempt last week to blame the Kremlin for exploiting the trouble. Their only evidence: TASS, standing the story on its head, reported out of Panama that Noriega's opponents had cheated at the polls and fomented violence. Hardly anyone would have noticed the ludicrous dispatch if the Administration hadn't publicized it.

As a final ironic twist, one of the President's most effective allies in the whole affair has been Jimmy Carter, and now it is the Noriega regime that evokes Teddy Roosevelt's memory to stir up fears that the *Yanquis* are coming. The Panamanian curse has yet to be lifted, both from the U.S. and from Panama itself. ■

The Economist

13-19 May 1989. UK £150. USA \$300. Canada C\$375. FF200.
¥10,000. ¥165,600. ¥15,000. ¥8130. £124. Nt23. Sfr24. A\$218. Sfr300. R\$400.

PANAMA'S RIGGED POLL

pages 15 and 47

DRIVING THE DOLLAR

pages 14 and 84

SICK-BUILDING BLUES

page 89

DISARMING IZVESTIA

pages 25-28

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terest rates to check the dollar's strength, but to keep them up because domestic demand is still growing strongly. Then America's policymakers might remember that if they want to hit two economic goals—a target for the dollar and a target for domestic demand—they need two economic policies.

Monetary policy is one. Until America rediscovers the other—fiscal policy—interest rates will keep being wrenched unpredictably from target to target. And the world will just have to put up with currencies that often do what they aren't supposed to.

Disappointments of democracy



They may be many, if dictators have already destroyed its support-system

TO ACCUSE General Manuel Noriega of rigging elections is like accusing a porcupine of having spines. Yet he is a poor rigger. Last time Panamanians voted, in 1984, the rigged voters' roll failed to give the general's candidate a majority, and the result had to be refixed after the polls had closed. In the election on May 7th neither pre-poll rigging nor post-poll fraud could conceal the general's defeat. Mr Noriega must go. He is a small-time dictator, unworthy of all the huffing, puffing and sabre-rattling in Washington this week. The best way out is for the United States to resuscitate last year's agreement (spoilt by American impatience) for his peaceful departure. That would leave Cuba as the only country in Latin America still under a *caudillo* who had not faced, or promised, some rough-and-ready election.

Splendid. Yet voting can disappoint. On May 14th Argentinians will be glumly voting for a successor to Mr Raul Alfonsin, whom they joyously elected six years ago as their first legitimate president after 20-odd years of blundering military rule. His presidency has brought them chaos, poverty, and shortages even of the imported paper for the banknotes needed to keep pace with inflation. A majority will probably vote for Mr Carlos Menem, who promises to bring back the ruinous policies of the dead dictator, Juan Peron, though an antique voting system may rob the Peronists of their victory.

Democracy restored has not rid Argentina, once among the world's richest countries, of its tinpot army hankering for national glory, its vast public sector sucking in subsidies, its taxes that make exporting a mug's game, its industry crippled by anti-democratic union bosses, its ramshackle federalism or its courts that deliver poor justice with inordinate delay. Yet Mr Alfonsin has steered his volatile people through coups, counter-coups and calls for revenge; he has declined to use emergency powers, stood by the civil law, and made fresh elections possible. This is partly what he was elected to do. But voting does not pay the rent or drive the trains; democracy earns no foreign exchange. If it fails to bring prosperity, it may kill freedom as surely as any black-booted general.

Mr Alan Garcia, next door in Peru, was legitimately elected in 1985. He has made an even greater mess of his country's economy, and failed to curb either its bloodthirsty insurgents or its sometimes brutal soldiers. The Brazilians went democratic the same year; their president, Mr Jose Sarney, has regularly botched reforms much like the ones Mr Alfonsin failed to push through. Chileans, eager to be rid of General Pinochet, fear that next year's election of his successor may bring back bungling along with freedom.

The new democrats are not doing much better outside Latin America. In the Philippines Mrs Cory Aquino picks her perilous way through corruption and financial stringency. In Turkey the generals' eyebrows rise every time Mr Turgut Ozal stumbles. Pakistan's opposition waits for Miss Benazir Bhutto to lose her delicate balance. Of recent transitions to democracy, only those of Spain and (more slowly) Portugal seem triumphantly irreversible.

Voting is not enough

Democracy is better than dictatorship, not just morally but practically too. It rests on consent rather than coercion, and contains the mechanism for its own renewal. But voting is not enough. Democratic government requires contending parties, independent courts, reasonably impartial public servants, undisciplined journalists, and a whole untidy baggage-train. When democrats foul up, the generals chuck all that baggage out. When the democrats return, they may throw out the generals' decent kit-bags along with their dirty ones. That fate may await Chile's new economic strength.

The transition to democracy is itself risky. To get politics going again, ill-assorted civilian coalitions agree on the need to redress the soldiers' oppression; but on little else. Without a programme, the politicians fail; the generals come marching back to their own inevitable failure; the cycle spins again.

Can outsiders help? The rich democracies—rich because they are democratic, as well as democratic because they are rich—have a legitimate interest in smoothing democrats' progress everywhere, not just in odd cases like Panama's. But the new democrats often ask their well-wishers for the wrong things. In particular, since most authoritarian governments of the 1970s ran up huge foreign debts (sometimes for guns to keep their soldiers happy), they seek debt relief and subsidies.

Indiscriminate aid can do as much harm as good. Money given without insistence upon policy changes may simply preserve bad old habits: cheap imports, subsidies, distorted patterns of consumption that pile up future trouble. Bolivia, which voted peacefully the same day as Panama (see page 48), shows how hard times can give birth to reforms that are politically as well as economically stabilising; its success has come from some jolting changes in its economic policies, and without foreign beneficence.

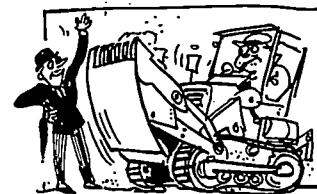
Weak institutions do more than poverty to undermine elected governments. Most of the credit for the successful transition to democracy in Spain and Portugal belongs to Spaniards and Portuguese. But international involvements

(such as NATO) and the hope of more (the EEC) helped close the authoritarian option. Central America's tentative democrats try to reinforce each other by working together in their regional common market and their projected regional parliament; they rightly ask for help from Europe, as well as from the United States, in making these experiments work.

The world's new democrats need their civil servants and

central bankers trained, their judges helped to deliver justice, their universities properly run; they need encouragement and support to form the soil for democracy's roots. On the march away from authoritarian rule, Eastern Europe may soon be following Latin America. Nations with happier histories can help spare Czechs, Poles and Hungarians the grief that disappointed Argentinians feel as they approach the polls.

Public money, private works



Governments should not blur the fiscal line between state and market

IN THE 1980s governments everywhere have tried to shrink the public sector. By choice or by force of circumstance, they have lowered taxes, cut public spending and privatised state-owned industries. In exposing once-sheltered parts of their economies to market forces, they have promoted greater choice, competition and efficiency. The benefits—especially for countries such as Britain, which has been in the vanguard—are already apparent. To most sympathisers, the only drawback has seemed too small to worry about: that as the boundary between the public and private domains has shifted, it has become blurred.

As this privatising decade draws to an end, that small drawback needs to be looked at carefully. If governments neglect it, as Britain's seems to be doing, it will one day give them a nasty shock. It might even discredit, and therefore start to undermine, the achievements of the past ten years.

Why blurring can be bad for you

Reasonable men may differ over where the public-private boundary ought to lie. The pro-market trend has been guided by the principle that governments should leave consumers, producers and the price mechanism as free as possible to allocate resources. But there are two large and untidy qualifications. First, an absence of competition may allow producers to extract monopoly profits from consumers. Second, private costs and benefits can sometimes differ greatly from social costs and benefits. For both reasons, government intervention can in principle be economically efficient. In practice it is far harder to say. Interventionists forget that government action almost always drags in inefficiencies of its own making. A balance must be struck.

Hard as it may be to strike that balance, reasonable men can surely agree on a connected point. Once governments have decided where to draw the boundary, they should mark it clearly. Managing the public purse calls for special disciplines. If financed by the printing of money, public spending risks inflation; if by borrowing, a rise in interest rates that "crowds out" private investment. Public borrowing—or private borrowing with an explicit or implicit government guarantee—is ultimately backed by the state's unique ability to raise money through taxation. The only assurance that taxpayers have that the borrowing makes economic sense is in the care a government takes over how it spends its money. The danger of a blurry public-private boundary is that it

might cause the government to relax its standards even though it, and not the market, remains the decision-maker.

The best current example of this blurring is in the supply of infrastructure, and especially of roads. Left to itself, the market is at something of a loss to say what roads should be built and where. The reason is not that charging for the use of roads is economically inefficient or difficult (when roads get congested, charging is desirable and feasible). Nor is it because the divergence between private and social returns is large (though it is). It is simply that the customer for a big road-building project can only be the government. If Britain were to have a new motorway from London to Leeds, it would be the government's task to say whether it was needed at all, choose the route, set the rules within which planning permissions would be granted, arrange for the compulsory purchase of properties, plan complementary extensions of the road network and so on. All this is true regardless of who builds the road, or of how the money to build it is raised. In essence, big road schemes are public-sector schemes.

Britain's builders have long tried to argue otherwise. Since road-building is public spending, the Thatcher government has squeezed it. So the builders said: "Suppose we raise the money for an extra road ourselves, and charge tolls. Then it will be a private-sector project, and you can ignore it for public-spending purposes." Until recently the government rightly said no. The method of finance, whether direct (through taxes or sales of government bonds) or indirect (through company borrowing), has little bearing on the project's economic consequences. However, the Treasury has now caved in to pressure from the building lobby, promising that if it lets any privately financed roads go ahead, they will usually fall outside its normal public-spending disciplines.

Since Britain needs more and better roads, might it not be a good thing for the Treasury to start napping on the job? Hardly. As the 1970s showed, fiscal laxity can end in a nightmare. More, the deliberate blurring of the public-private boundary is in this case a microeconomic mistake. By announcing its willingness to treat an increase in future public spending as though it were something else, the government is saying to the builders: please don't show us the best ideas.

To see this, remember that roads yield big social benefits. London's new and congested orbital motorway has helped not just the grumblers sitting in its traffic jams (otherwise they would not be there) but also all those who would have been

The election that wasn't

FROM OUR CORRESPONDENTS IN PANAMA CITY AND WASHINGTON, DC

THE drawbridge went up on fortress Noriega when Panamanians went to the polls on Sunday, May 7th. The country's strongman, General Manuel Noriega, had believed an election would legitimise his regime, given a bit of help from false voter lists, stuffed ballot boxes and army intimidation. But the vote still went to the opposition alliance by a margin of about three to one. On May 10th, after several days of thuggery and confusion, the general declared the election null and void, blaming the opposition for the fraud his own people had organised.

Mr Jimmy Carter, in Panama for the election with an independent observer team, met the general on the eve of the election. "He had no conception of the possibility that the people were going to vote against him," said the ex-president. Once it became clear that they had, the fraud machine shifted gear. Vote-counting centres were militarised, ballots seized and destroyed, false tally sheets printed, the triumph of Mr Carlos Duque (the general's candidate and business associate) pronounced.

The post-ballot fraud was surprisingly crude. Just before dawn on Monday, the police stormed a polling station at the Orlando Winter gymnasium in San Miguelito, an opposition stronghold. Election workers were beaten up, tally sheets torn up or stolen. At the Venezuela school in Panama City troops attacked at night during a power cut. Almost all the tally sheets "disappeared". Mr Carter, invited to the centre where the votes were to be counted, found fake tally sheets being substituted for real ones. He protested, and was barred from the centre.

Only on Tuesday did the first official results emerge. The opposition Civic Democratic Alliance said it would get 70%; General Noriega's National Liberation Coalition claimed more than 50%, which was less, oddly, than the 60% that the (false) official returns were giving it. The Noriega camp had underestimated its own cheating.

The opposition's claims were backed by an independent survey which gave the op-

position 74.2%, the ruling coalition only 24.9%. This came from a Roman Catholic group which, departing from the local church's usually passive role, has so annoyed General Noriega that, on Tuesday, vigilantes were sent out to prevent people going to Mass. When the opposition candidates visited the archbishop, armed men followed them and fired over their heads.



The way Noriega's people see him

The opposition is hoping to excite the sort of people's revolution that swept Mrs Cory Aquino to power in the Philippines, but does not quite know how. On Wednesday its presidential candidate, Mr Guillermo Endara, and his two associates were beaten up by government goons; two of their bodyguards were reported killed. President Bush sent condolences to the injured in hospital. The Americans say that General Noriega

cannot invalidate the election just because he does not like the result. What they do about it is another matter.

American economic sanctions have been in place against Panama since late 1987: Conceivably, military intervention might be the next step. "Send the troops in, man," shouted one demonstrator, as he ran away from the riot squad. By Thursday, however, the 10,000 American troops along the Canal were still inside their bases: President Bush was talking to Congress about reinforcements. Formally, the opposition came out strongly against intervention by the United States, and welcomed the idea of a "Latin solution"; the democratic governments of Venezuela, Costa Rica and Peru promptly deplored the fraud.

President Bush may be glad of their support. He promised on May 2nd that the United States would not recognise the results of a fraudulent election engineered to keep General Noriega in power. The outcome handed him a pretext to take decisive action, but it will be hard.

The Reagan administration, in May 1988, came close to a deal by which the general would leave the country in exchange for the dropping of American charges of drug-dealing against him. Two things scuppered it: Mr Noriega's request for a week to consult his cronies, which the Americans could not tolerate because they wanted a decision before Mr Reagan's Moscow summit; and the fact that the negotiations were leaked to the press. Some think Mr Bush's campaign managers did the leaking, anxious lest the lifting of Mr Noriega's indictment might lose Mr Bush votes.

Mr Bush, who speaks fiercely about drug dealers, may be reluctant to revive the deal. He may prefer to let Latin America's democratic leaders put pressure on Mr Noriega. Many Americans, though, long to punish the thugs, and Mr Bush has not a great deal of time before Congress gets restive.

Calls from Congress for armed action have not been helpful. Senator Connie Mack, an official American observer at the election, suggests abrogating the Panama Canal treaty that President Carter pushed through in 1979. Under it, sovereignty over the canal passes to Panama in 1999. Giving a decade's warning of the intention to ignore a treaty is hardly the way to dislodge the obdurate General Noriega.

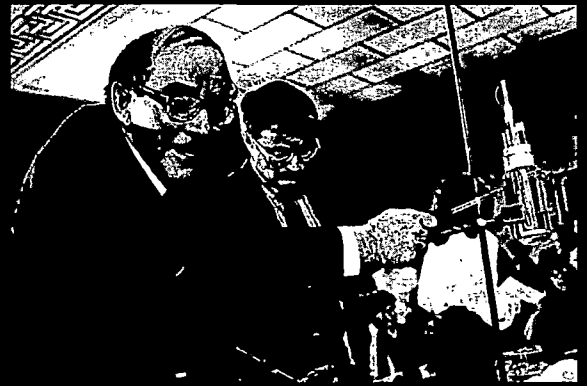
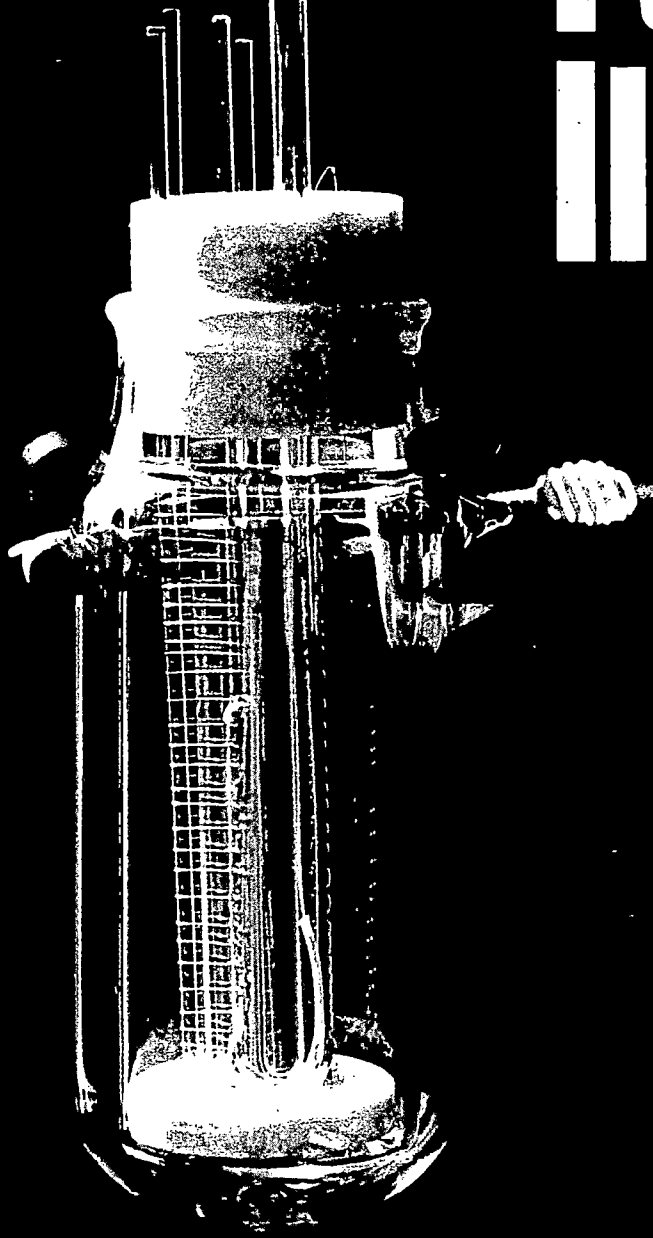
MAY 8, 1989

China's Angry Students

\$2.00

TIME

Fusion or Illusion?



How two obscure chemists stirred excitement – and outrage – in the scientific world



724404 1

00900

PANAMA

Sparring (Again) with a Dictator

As Washington predicts a rigged election, U.S. policy remains adrift

The U.S. called him Panama's top *narcotraficante*, indicted him in Florida and vowed to depose him. But General Manuel Antonio Noriega still runs the country, and even though he will not be standing for election on May 7, he looms as the power behind the throne. Polls show that Noriega's handpicked candidate for President, Carlos Duque, trails opposition candidate Guillermo Endara by more than 2 to 1. Yet U.S. officials and opposition leaders are convinced Duque will steal the election. They charge that evidence of government chicanery already abounds: manipulation of voter rolls to keep opponents from the polls, coercion of public employees to vote the government ticket, fraudulent registration practices that will permit Noriega boosters to cast multiple ballots.

The only real suspense seems to be just how far Noriega will go to ensure Duque's triumph—and how U.S. officials and irate Panamanians will react when the tainted returns trickle in. The Bush Administration is betting that the cocky Noriega will trip on his own blind determination. As Washington sketches it, Noriega's supporters will resort to such blatant electoral fraud that Panamanians will take to the streets in furious protest, sparking a brutish response from the Panama Defense Forces. The international outcry will deepen Panama's diplomatic isolation, and eventually the economic and political erosion will reach such dire proportions that the military will abandon Noriega. And then? "We'll let things collapse of their own weight," says a senior Administration official.

The scenario sounds all too familiar—and implausible. In February 1988, when Noriega was indicted on drug charges, the Reagan Administration expected Noriega to flee in panic. He stayed. Two months later Washington dispatched 1,300 additional troops to U.S. bases in Panama, hoping their very presence would cow Noriega into submission. It didn't. Then the U.S. imposed limited economic sanctions, designed to choke off the country's cash flow. The dollar shortage fell hardest on Panama's middle class, who began to grumble about unreliable American allies. That allowed Noriega to

rally support inside as well as beyond Panama by portraying himself as a victim of *Yanqui* aggression. In the end, Washington managed only to devastate an economy that was both prosperous and closely tied to the U.S. "We have in fact severely damaged the Panamanian economy," says former President Jimmy Carter, who will lead an international delegation of observers to monitor the election.

The Reagan policy vacuum has carried over into the Bush era. Once again

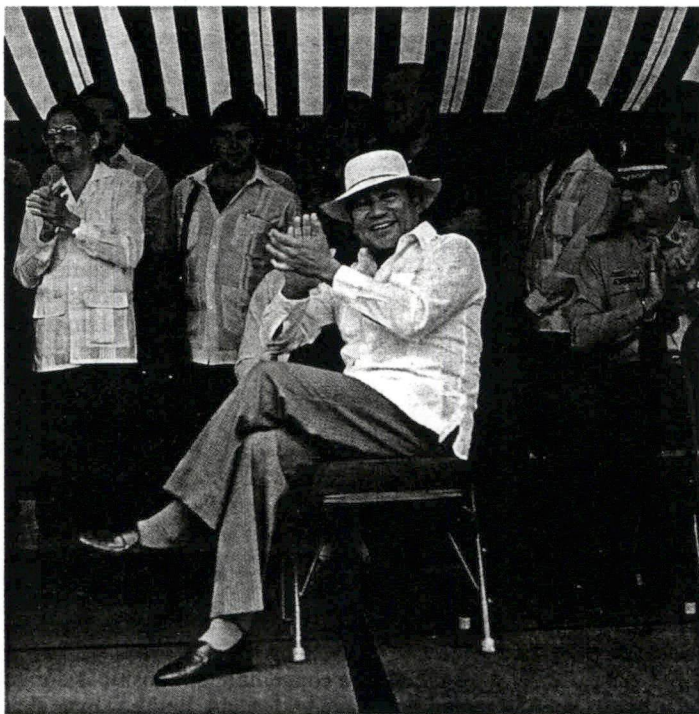
will have to seize the opportunity to bring international pressure to bear on Noriega. "At a time when the world is having free elections, including the Soviet Union and Poland, Panama is not," says Richard Lugar, a member of the Senate Foreign Relations Committee. "You need to make Noriega pay." To show its disapproval, the U.S. could restrict visas issued to pro-Noriega Panamanians, refuse to recognize the newly seated government, and turn away any ambassador sent to Washington by the Duque administration. The Administration wants to tighten sanctions, but further economic deterioration might fuel an anti-U.S. backlash. "When have economic sanctions ever toppled a regime?" asks Ambler Moss, a former U.S. Ambassador to Panama.

So far, Washington's game plan remains vague. The Administration has pledged that no deal will be cut with Noriega to quash the drug indictments. And a high-level official says that a fraudulent election will prompt the U.S. to consider new "diplomatic, intelligence and military" options, the first time the Bush team has suggested an armed intervention.

Other deadlines also press. Come September, the presidential term of Eric Arturo Delvalle expires. Though he was forced from office by Noriega 14 months ago, the U.S. continues to recognize the exiled Delvalle as the legitimate President, and has used that handy fiction to withhold \$86.5 million in fees collected by the Panama Canal Commission. Bush must decide what to do with those funds, which are legally owed to Panama. Moreover, under the terms of the canal

treaty, the American administrator of the PCC must be replaced by a Panamanian by January 1990. The U.S. Senate will have to approve the candidate, and if he is closely linked to Noriega, a bitter fight is certain.

But Panama's problem is not just Noriega. The general's friends say he is tired of facing down the gringos, but even if he capitulates, there is little evidence that the defense forces plan to retire to the barracks. "For real democracy to take place in Panama," Moss warns, "it will be a long-term workout, a gradual weaning away of the military from direct power." To encourage that, the Bush Administration must enlist Latin American allies. Recourse to the big stick will only sour relations with the region. —By Jill Smolowe.
Reported by James Carney/Miami and Ricardo Chavira/Washington



Noriega won't cry uncle, but he loves to tweak Uncle Sam

Officials are betting he will trip on his own blind determination.

the State Department and the Pentagon are at odds, and what passes for policy shows little promise of dislodging the general. At a meeting convened by Bush in early February, State argued that Noriega is a danger to U.S. security; Defense countered that Noriega is a lesser evil than any of the underlings likely to succeed him as commander in chief. "Bush was very surprised to see that there was no unity," says an official. "He ended the meeting by telling everyone he would make up his mind on his own." Shortly after that meeting, Bush signed a secret presidential finding authorizing the CIA to funnel \$10 million into the opposition's political campaign. Their candidates insist that none of the money has reached them, but Noriega has capitalized on the U.S. interference to deflect the election's focus from himself.

If the election proves a sham, the U.S.

CARLOS GUARDIA—SIPA

Julietta

FOLLOW-UP CALL TO/WITH JULIETTA

① CURRENT COUNTRY/BACKGROUND NOTES
(1989)

any info on Plaza Porras
Parks
etc.

T. Roosevelt

↓
finding

→ Qualye visited in '90 ≈ 1 mo. after OJC

▲ po ants won't climb up - ants won't
Caribbean

Endara Apr. 30 - May 3^{.90} Official Work^c visit

↳ - it was raining day he arrived

↓
treaty negotiations - named her
baby → Soveriena writing section/
treaty - wanted to have palm -

Peter Deshaga

▲ Almost all be from Panama City
some who (other part in town)

▲ 50th protest - good bit
entering diff neighborhood

Panamanai dis. in Endara - feel let
down; overwhelmingly would not
want NORLEBA back; got just
demands in US treaty;

don't want to talk ab him

Panamanai favor Am. presence in the
Canal; want to get in
Canal; look forward to getting in

We follow terms of treaty
Dec. 31 1999 Twelve hours
1200h per time

appropriate enviro

free trade

free mkt - issues of canal

and tropical forests - Canal operates
on water if watershed destroyed by
deforestation - Pan. ma. Canal

Watershed; tropical forests of the

→ Darien → sep. Columbia from Panama

just

→ Tropical rain forests 15 miles from
Panama City

even area of canal watershed

Fmy Carter - 1979 (in of treaty)

FDR -

PISA:

✓ Chamber comm story/
description on Porras statue

✓ Porras quotes

✓ why trees painted white

✓ GEN ARTICLES? w/ Polivar?

John McShane: NSC x 3860

State is working on a 2 min - 7; speech
quick draft - NSC to get tomorrow

Henry's apple pie & motherhood
luncheon toast -

Always bad
& never good

jobs tough to come by
Endera had to do the tough thing
commitment to canal treaties - sensitive
ISSUE

Narcotics - signed agreements
sign automatic priority
inf conv. want margin

fighting money laundering

Attract partners on narcotics

last forms to visit? -

don't think Reagan visited

Endara was here for Ag. 30, 1990
for state visit
regin @ start
→ reciprocal visit?
as conv. after implem.

Black Friday
July 10, 89

Police activity

(July 10, 92 scheduled to be sentenced)

Gen. & H. Ostrus John to Endara
epidemic

Recent Economist last yr on Ostrus

LEXIS/NEWS:

QUAYLE VISIT TO PANAMA
190

ENDARA WENT TO WHITE HOUSE '90

Attorney General's official
strafjet on left corner

HQ of Christian Democratic Party
FM / Comin part to see. Baher
Ltr. State Dept.
Annex in other places

Panamanian Chamber of Commerce

(27-1964 (a)
Pd. Section)

→ since '85 site of protests -
Plaza Porras

Friday vigil in front of AC office

(first seat govt for envly panel offi
23 Dec. 1996 in FM bldg.)

VOLUME 2

Ankara to Azusa

T H E E N C Y C L O P E D I A

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ARTIGAS, är-të'gäs, **José Gervasio** (1764–1850), Uruguayan patriot. He is honored as the father of Uruguay's nationhood, although he himself did not finally lead the country to independence.

Born at Sauce, Uruguay, on June 19, 1764, Artigas was an officer in the colonial militia when Uruguay and Argentina were both part of the Spanish viceroyalty of the Rio de la Plata. In 1811, after the struggle for independence from Spain began in Buenos Aires, Artigas raised an army of Uruguayans to support the revolution. Artigas' aim was to obtain autonomy for Uruguay within a confederation of Argentine states. By the end of 1812 he controlled most of Uruguay outside of Montevideo. However, the Portuguese invaded from Brazil, and Artigas led his followers on a historic exodus into Argentina.

In June 1814 the Argentines wrested Montevideo from the Spanish, but by that time Artigas had broken with the Buenos Aires government because it refused to recognize Uruguayan autonomy. He formed a federal league with several Argentine provinces in opposition to the central government, and in 1815 freed Uruguay from Argentine control. The next year the Portuguese again invaded Uruguay. After four years of fighting, they drove Artigas and his forces into Argentina. Artigas' former allies, the party favoring federal government, were now in power in Buenos Aires, but they refused to support him against the Portuguese. In the struggle that resulted, the Argentines defeated Artigas' army, and he went into exile in Paraguay in 1820. He took no further part in the Uruguayan independence movement and died in obscurity, at Asunción, Paraguay, on Sept. 23, 1850. See also URUGUAY—History.

ARTILLERY, är-til'ə-rē, is the collective term for cannon and guided-missile launchers of all sizes and calibers and the troops assigned to operate and care for these weapons. An artillery piece is a mounted gun or rocket launcher too large or too heavy to be classed as a small arm. The lower limit of size or caliber differs among the armed services, but the term generally is applied to any gun or launcher that uses ammunition of a caliber greater than one inch (25.4 mm) and that is not designed for hand or shoulder use.

In ancient times man increased the range of his weapons by using various types of catapults. These were great slings used to hurl stones and other large heavy objects over great distances. The history of artillery as we know it today dates roughly from the first use of gunpowder in Europe, about 1250 A.D., which brought into use the first smoothbore cannon.

Beginnings. The first firearms were large, heavy, and inefficient, and were difficult to move.

The development of cannon preceded that of small arms by about 50 years. The tube of a cannon was made like the barrel of those days—straight-sided and of wooden staves bound together with hoops of iron; it has been known ever since as a *barrel*.

The earliest artillery was used chiefly against the walls and gates of besieged towns, forts, and castles. The Hundred Years' War (1337–1453), in which English kings tried to add France to their kingdom, made the battlefields of France the proving ground for the new science of artillery. The first great land battle of that war, at Crécy in 1346, is most remembered because it proved English archers superior to heavily armored knights on horseback, yet it was also at Crécy that King Edward III of England introduced cannon—short-barreled *bombards*. Cannon proved their value in the ensuing siege of Calais, which Edward conquered after 11 months. Almost a century later (1428) in the same war, Joan of Arc is said to have aimed the French cannon herself, in a defensive use of artillery by a weak army. In 1436, King Charles VII of France organized the first permanent artillery department, for purposes of siege and defense, and headed it with a "master of artillery." See GUNPOWDER.

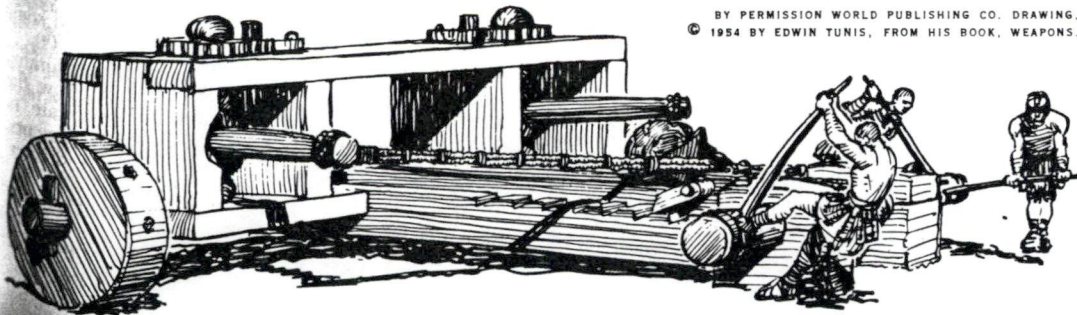
At the other end of Europe the Turks under Mohammed II used much artillery, some of great size, in their siege of Constantinople (Istanbul) in 1453. Their conquest brought about the final downfall of the Eastern Roman empire and the establishment of Constantinople as the new capital of the (Turkish) Ottoman empire.

The 16th Century. In the 1500's, brass guns and cast-iron projectiles came into general use throughout Europe. In Italy the mathematician Niccolò Tartaglia (1500?–1557) made great improvements in gunnery. In the late 1500's, shells were fired from mortars, lofting above walls to damage cities within, and case shot was invented. Case shot, consisting of a canister filled with pellets or fragments of metal, was highly effective against men and horses, whereas cannonballs were more useful against fortifications.

Artillery in the 1500's was important in both siege and field warfare. Hand firearms gradually became so effective that they supplanted the light artillery, which had been so successful in breaking up masses of foot soldiers armed with pikes. Heavy cannon with greater destructive power came into use. These were intended for frontline use ahead of the troops, but they were so cumbersome and so slow that they could not keep up with an advancing or retreating army and thus changed ownership repeatedly during a campaign. Increased weight brought increased effectiveness against targets, however,

ROMAN BALLISTA was powered by twisted cords pulling arms outward. Sixty-pound rock shot forth 500 yards.

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NEW YORK, N. Y.

74830

inated by the tall, stovepipe-hatted figure of Lincoln with representations of agriculture and industry on either side.

Working in true, or wet, fresco, Poor uses opaque color mixed with putty, achieving fineness of modeling and subtle atmospheric relationships, qualities often lacking in the dry fresco technique with transparent color. "First, a mural must decorate a wall," says Poor. "Second, it should be a human document with real meaning to the people who use the place." In his murals one finds again the attention to line and economy of detail that give a semi-abstract quality to many of his oils. "His delineation of character," observed Devree, "is stripped of casual or incidental infringements of contour or color." And in the Pennsylvania State mural Forbes Watson found "all the idealism of America romantically, unsentimentally, and powerfully interpreted in painter terms."

Tall, stocky, vigorous, his blue eyes clear, his hedge of brown hair turning gray, Poor looks like the capable artisan he is. He has pleased some critics, disturbed others, by a seemingly "rugged individual" philosophy. Said Salpeter: "He is Emerson's essay on self-reliance come down from Maine by way of Kansas, but it seems to me that he has also a streak of the anti-social in him and a touch of complacency, too." However that may be, it does not involve hiding away from his audiences. When he signed the contract for the Pennsylvania State mural in 1939 it stipulated that he was to get \$4,500 for the job and that working hours should be open to the public.

In addition to his fresco work, Poor is a specialist in tile decoration. He designed the tile ceiling for the Union Dime Savings Bank in New York City. Well represented in museums, his work is included in permanent collections of the Metropolitan Museum of Art and the Whitney Museum of American Art, New York City; in the Art Institute of Chicago; in the Newark Museum; in the San Francisco Museum; in the Cleveland Museum; in the Addison Memorial Museum, Andover, Massachusetts.

Henry Varnum Poor has been married three times. He married first upon his return from Europe, and a daughter, Josephine, was born in 1913. In 1919 he married a former student, Marion Dern. This marriage ended in 1923. Two years later Poor was married for the third time, to Elizabeth Breuer of New York City, novelist and journalist.

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14:1+ S '40 il
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Time 35:43 Je 3 '40 il

Cheney, M. C. Modern Art in America
1939

Who's Who in America 1942-43

Who's Who in American Art 1940-41

POORTEN, HEIN TER See Ter Poorten,
H.

PORRAS, BELISARIO (pō'rās bā-li-sā'-
rē-ō) Nov. 28, 1856—Aug. 28, 1942 Former
President of Panama for two full terms and
part of another; was Minister to France, Great
Britain, Italy, and the United States; author
of works on law.

Obituary

N Y Times p42 Ag 30 '42 por

POULSEN, VALDEMAR 1869—July (?),
1942 Danish inventor who with Professor
Reginald Fessenden devised the wireless tele-
phone; inventor of the telegraphone in 1898;
credited with breaking the Marconi monopoly
in the British Empire.

Obituary

N Y Times p17 Ag 7 '42

POUND, EZRA (LOOMIS) Oct. 30, 1885-
Poet; propagandist

Address: h. Marsala 12/5, Rapallo, Italy

"Burly, red-bearded" Ezra Pound, expatriate poet, critic, would-be economist, and Italian propagandist who was described as the "perpetual adolescent of American poetry" even before he was called the American Lord Haw-Haw, was born in Hailey, Idaho, on October 30, 1885. The son of Homer L. and Isabel (Weston) Pound, Ezra Loomis Pound is of English descent; his ancestors were early settlers in New England, and he is distantly related to Longfellow through his mother. A precocious lad, at fifteen he entered the University of Pennsylvania as a special student in order to avoid "irrelevant subjects." After two years he transferred to Hamilton College, where he received his Ph. B. in 1905. He then returned to the University of Pennsylvania with a fellowship in Romance languages, serving as an "instructor with professorial functions" and acquiring his M. A. in June 1906. The next academic year he spent in Europe in search of material for a thesis on Lope de Vega. After traveling in Spain, Italy, and Provence, he returned to the United States in the fall of 1907 and accepted an instructorship at Wabash College in Indiana from which he was released after four months on the grounds that he was too European and unconventional.

Pound then returned to Europe. After spending some time in Venice, where he published a pamphlet of poems, *A Lume Spento* (1908), he settled down in London. In 1909 he published two volumes of poetry there, *Personae* and *Exultations*, in which the influence of the old Provençal singers and

*Last Pres. visit
to Panama?*

*BA
AF
JP
Jovan*

3 JUNE 1992

MEMORANDUM FOR DAN MC GROARTY

FROM: JEANNIE BUNTON *JB*
SUBJECT: PANAMA PRE-ADVANCE

SCENARIO: POTUS ARRIVE PANAMA THURSDAY, 11 JUNE AT 10:30
A.M. EN ROUTE RIO.

POTUS ON GROUND PANAMA TOT 4 HOURS

UPON ARRIVAL AT TOCUMEN AIRPORT POTUS PROCEEDS
DIRECTLY TO PRESIDENTIAL PALACE FOR BI-LAT
FOLLOWED BY PRIVATE LUNCHEON.

POTUS DEPARTS PRESIDENTIAL PALACE APPROX. 1-1:30
FOR PLAZA BELISARIO PORRAS.

POTUS REMARKS PLAZA 1:30 OR 2 P.M.

COMMUNITY/EMBASSY/MILITARY GREETING TBD.

POTUS DEPARTS PANAMA 2:20 P.M.

AUDIENCE: A MASS OF HUMANITY. APPROX. 30-40,000
PANAMANIAN.

PLAZA DETES: STATUE OF PRESIDENT BELISARIO PORRAS, PROTECTED
BY TWO "ANGELS" IF YOU WILL ONE LABELLED
DEMOCRACY; THE OTHER FREEDOM. STATUE SERVES AS
BACKDROP. POTUS WILL BE IN BOX. ✓

GA *(?)*
SQUARE SURROUNDED BY KEY BUILDINGS: TO POTUS
RIGHT: PANAMA'S FOREIGN AFFAIRS DEPARTMENT --
THEIR STATE DEPT. TO POTUS LEFT: SPANISH
EMBASSY; STRAIGHT AHEAD: ONE OF THE PANAMANIAN
SEATS OF JUSTICE: CURRENTLY HAVE A COURT CASE
AGAINST NORIEGA. BEHIND POTUS: TO RIGHT -- PANAMA
CHAMBER OF COMMERCE -- WHERE 6 PANAMANIAN EXILES
WERE HELD, DURING THE NORIEGA MESS. BEHIND POTUS
TO LEFT - CUBAN EMBASSY.

PORRAS WAS PRESIDENT OF PANAMA IN THE 20'S;
DESCRIBED AS PROMOTER OF POSITIVE NATIONALISM; PAO
OFFERED TO FIND QUOTES TO SEND TO US BY PORRAS AND

** Reach? Just Panama City or further out*

TEDDY ROOSEVELT AROUND TIME OF DEV. OF PANAMA CANAL.

TRIVIA:

IT IS RAINY SEASON IN PANAMA.

MENENDEZ-PEREIRA, FOUNDER OF UNIV. OF PANAMA GOOD GUY TO TALK ABOUT -- FOR QUOTES ETC.

BUST OF GENERAL JOSE ARTIGAS IN ONE OF THE ROADSIDE AREAS -- THERE IS A STATUE OF HIM HERE IN WASHINGTON ON CONSTITUTION AVENUE

BALBOA IS PAID TRIBUTE IN A PARK BY THE SEA

PALM TREE TRUNKS ARE PAINTED WHITE FROM GROUND UP ABOUT FIVE FEET

CRIME IS A PROBLEM -- EMBASSY GRENADE BOMBE A COUPLE TIMES, PEOPLE ROBBED IN RESTAURANTS AND WHILE WAITING IN TRAFFICE --

TRAFFIC A NIGHTMARE -- FEW TRAFFIC LIGHTS; MOSTLY DIRECTED BY POLICE, VERY DIFFICULT TO MAKE A LEFT HAND TURN;

*PRU-
of
ANTI.*

NORIEGA PROTESTS WERE HELD ON 50TH STREET

AREA AROUND PRES. PLACE -- TOTAL POVERTY

ISSUES:

PAO SAID SPEECH SHOULD TOUCH ON:
SUPPORT FOR DEMOCRATIC SYSTEM
PANAMA IS A FUNCTIONING DEMOCRACY
POSITIVE ON HUMAN RIGHTS
FREE PRESS
ECOLOGY - BECOMING A PRIORITY
FREE-OPEN-COMPETITIVE ELECTIONS IN 94
RECOVERING FROM DICTATORSHIP
PREPARING TO TAKE CANAL IN YEARS AHEAD

NO POLITICAL LEADER HAS EMERGED FOR 94 ELECTION

CONVO WITH ESTHER A PANAMANIAN WHO WORKS IN THE EMBASSY:

PANAMANIANS HATE ENDARA AND HIS ADMINISTRATION;
WOULD RATHER HAVE NORIEGA BACK -- SAID DIDN'T VOTE
SO MUCH FOR ENDARA BUT AGAINST NORIEGA.

IK

PANAMANIANS DON'T FAVOR GETTING CANAL BACK -- WANT AMERICANS TO CONTINUE ADMINISTRATION -- FEAR WILL TURN TO DISREPAIR AND DISARRAY
ENVIRONMENTALISM AND ACTIONIS CATCHING ON -- GAINING POPULARITY TO PROTECT GREEN SPACES IN PANAMA -- AND MAN IT IS DIRTY -- SQUALOR.

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EMBASSY PAO

OMAYRA "MAYIN" [MIYE-IN] CORREA
MAYOR OF PANAMA

LEAD: TIM SIMONSON
WHCA LEAD: STEVE SMITH
NSC: KEN HILL

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TIME CHANGES

Washington, D.C. to Panama City, Panama

Back 1 Hour

Panama City to Rio de Janeiro, Brazil

Ahead 2 Hours

Rio de Janeiro to Washington, D.C.

Back 1 Hour

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Ms. Teresa Ferrari (Acting)	NAS - Narcotics Affairs Section	Ext 2440/2
LCDR. Robert L. Griffin	U.S. Coast Guard	Ext 2378

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DOC 0001A/1

ADMIN LISTING

FOR INFORMATION PURPOSES

SECTION CHIEFS

PHONE NUMBER

POL	-Mr. Stephen G. Wesche	Ext 2256
ECON	-Ms. Maureen Quinn	Ext 2222
CONS	-Mr. Robert T. Raymer	Ext 2219
ADMIN	-Mr. William P. Francisco	Ext 2265

AGENCY HEADS

CUST	-Mr. Rafael Lopez	Ext 2444/5
DOD Representative (DRO)	-Col. Paul F. Joseph	Ext 2310
DCSG	-Mr. Joseph Chippich	Ext 2323
DEA	-Mr. Rene De La Cova	Ext 2227
AID	-Mr. Thomas Stukel	X-2432/63-6011
FBIS	-Mr. Louis Mendes	Ext 2775/2776
FCS	-Mr. Peter Noble	Ext 2225
LEGATT	-Mr. Luis Fernandez	Ext 2312
USDA	-Mr. William Westman	Ext 2360
USIS	-Mr. Peter DeShazo	Ext 2306
ICITAP	-Mr. Patrick H. Lang	Ext 2441
NAS	-Ms. Teresa Ferrari (Acting)	Ext 2444
COAST GUARD	-LCDR. Robert L. Griffin	Ext 2378

COMMISSIONS

CASC	-Mr. Joseph A. Byrne	Ext 2430/2431
PCC	-Mr. Joe Wood	52-3519

ADMIN - UNIT CHIEFS

BMO	-Mr. Fred W. Krage	Ext 2270
IMO	-Mr. Joseph Zeman	Ext 2258
PER	-Ms. Michele Angulo	Ext 2260
RSO	-Mr. Mark C. Boyett	Ext 2218
GSO	-Ms. Jean B. McAlphine	Ext 2370
Detchmt. Cmdr.	-GySgt. Ralph Cook	Ext 2212
CLO	-Ms. Carmen L. Lilley	Ext 2318
MED (Nurse)	-Ms. Sue T. Krage	Ext 2324/2329
Information Systems	-Mr. Michael K. Haftel	Ext 2340

ADMIN/jc
DOC 00001A/2



WELCOME TO PANAMA!

This welcome kit has been prepared for you in support of the President's visit to Panama, scheduled for 11 June 1992.

The contents of the welcome kit are as follows:

1. Map of Panama City and of the Republic of Panama.
This map lists restaurants and shows their locations.
2. Key officers of the U.S. Mission, Panama
3. Admin list of section and agency heads
4. The Panama Canal, a short description
5. Statistics on Panama (in Spanish)
6. Investment Climate Statement, Panama, March 28, 1991
7. Foreign Economic Trends: Panama, September 1991
8. Medical Information Sheet

Money exchange: The hotel has agreed to change your travellers checks into U.S. dollars. Dollars are the medium of exchange in Panama.

2. following is the itinerary for the pre-advance party.

tuesday, june 2, 1992

6:00 a.m. c-137 departs AAFB enroute Panama City,
Panama.

Flying time: 4 hrs. 55 mins.

9:55 a.m. C-137 arrives Tocumen International
Airport, Panama City, Panama.

Met by:

Mr. David Beall
Deputy Chief of Mission

10:00 a.m. Board vehicles and depart Tocumen
International Airport enroute U.S. Embassy.

Car I:

E. Murnane
K. Hill

Vans:

Remainder of Pre-Advance Party

NOTE: Those not participating in the pre-advance
will proceed directly to the hotel from the airport.

5

10:30 a.m. Arrive U.S. Embassy and begin
participation in pre-advance meeting.

11:30 a.m. Conclude meeting and begin participation
in lunch/counterpart meetings.

NOTE: Lunch available at Embassy.

Additional embassy counterpart
meetings should take place at this
time.

12:15 p.m. Conclude participation in
lunch/counterpart meetings, board
vehicles, and depart u.s. embassy en route
presidential palace.

Drive time: 15 minutes

12:30 p.m. Arrive presidential palace and begin
participation in Foreign Ministry Meeting.

Met by:

Mr. Julio Harris
Ministry of the Presidency

Mr. Menalco Solis
Presidential Security

Meeting Participants:

E. Murnane
K. Hill
T. Simonson
B. Carr
K. Goodwin
D. Rifkin
J. Wissler
D. Carpenter
WHCA representative
TBD Embassy participants

1:15 p.m. Conclude participation in Foreign Ministry
meeting and begin participation in site
survey.

1:45 p.m. Conclude participation in site survey,
board vehicles, and depart presidential
palace en route TBD (Speech/Rally site)

Drive Time: 15 minutes

2:00 p.m. Arrive TBD (Speech/Rally site) and begin
participation in site survey.

3:00 p.m. Conclude participation in site survey,
board vehicles, and depart TBD site
enroute tbd Military Installation.

Drive Time: 30 minutes

3:30 p.m. Arrive TBD Military Installation and begin
participation in site survey.

4:00 p.m. Conclude participation in site survey,
board vehicles, and depart TBD Military
Installaion enrout Tocumen International
Airport.

Drive Time: 30 minutes

4:30 p.m. Arrive Tocumen International Airport and
begin participation in airport survey.

4:40 p.m. Conclude participation in airport survey
and proceed to board C-137.

4:45 p.m. C-137 departs Panama City, Panama en route
AAFB

3. Transportation - embassy is requested to meet and
assist travelling party with vehicles and baggage
truck. embassy is requested to provide assistance and
have baggage taken directly to individual rooms.

In order to expedite movements, the entire party can
utilize vans or small buses. Separate vans or buses are
necessary for members of the press.

note: two to three additional vehicles should be on call
for individuals needing to make independent site surveys.

4. accommodations. advance party's rooms, should be
pre-registered. keys should be available in the control
room.

5. Billing instructions! persons arriving on the advance will be travelling on government orders and will have received per diem. copies of travel orders and fiscal data to cover the cost of the rooms will be provided.

6. all cable traffic regarding the visit should be addressed to the White House for Edward Murnane and State, A/TSS for Jeannie Bull.

Datos Informativos sobre la República de Panamá.

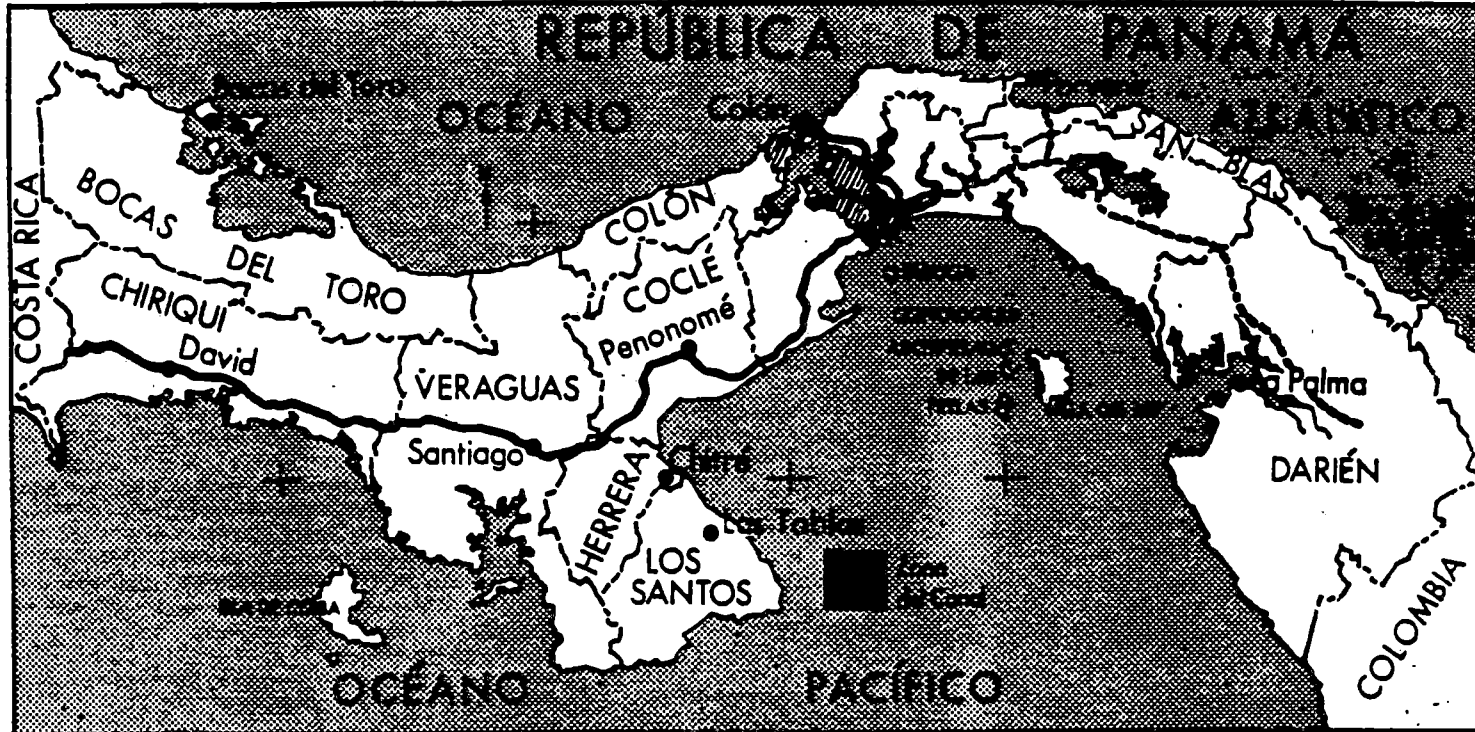
Localización: Viajando hacia el sur desde América del Norte para llegar a Panamá, usted cruzará el istmo Centro Americano a través de la República de Guatemala, El Salvador, Honduras, Nicaragua y Costa Rica. Panamá limita al Este con Colombia en el hemisferio suramericano. Panamá, pues forma un estabón entre la América Central y la América del Sur y es un istmo de 80 km. de ancho en su sección más angosta. En uno de sus lados el Océano Atlántico baña sus costas y en el otro, a sólo pocos minutos, el Océano Pacífico bordea sus largas y hermosas playas. El Canal de Panamá, la octava maravilla del mundo, permite a los barcos el traslado entre los océanos Atlántico y Pacífico. La topografía de Panamá es montañosa, con colinas y valles. El área total de la República es de 77.082 kilómetros cuadrados.



Historia: La historia de Panamá se fija entre los siguientes períodos:

Pre-Hispano	(— 1501)
Hispano	(1501 — 1821)
a) Descubrimiento y Conquista	(1501 — 1538)
b) Colonial	(1538 — 1821)
Unificación con Colombia	(1821 — 1903)
Independencia	(1903 —)

En los comienzos del siglo XVI había más de 60 tribus indígenas habitando en Panamá. Estos indios pertenecen al grupo de los Mayas de Guatemala y México y de los Chibchas de Colombia. El Istmo de Panamá fue descubier-



Clima: El clima de Panamá es placenteramente tropical y la temperatura es prácticamente uniforme a lo largo del año. Las noches son generalmente frescas. El promedio de temperatura es de 27°C. El país tiene dos estaciones — lluviosa y seca. La estación lluviosa se extiende de Abril a Diciembre con pequeñas lluvias que permiten recibir los cálidos rayos del sol durante gran parte del día. Durante la estación seca, llamada verano, los agradables vientos alisios soplan permanentemente.

GOBIERNO: La República de Panamá tiene un Presidente, Vice-Presidente y Jefe de Gobierno, los cuales gobiernan el país. Existe también una Asamblea de Representantes de Corregimientos compuesta por 505 representantes que se reúnen durante un mes todos los años y una Comisión Nacional de Legislación que sesiona durante todo el año.

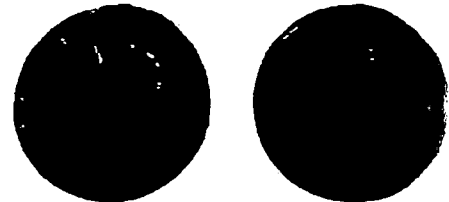
Panamá está dividida en nueve provincias y tres comarcas indígenas. Cada provincia tiene un Gobernador nombrado por el Presidente de la República y cada municipalidad tiene un Alcalde nombrado por el Gobernador de la Provincia.

Población: Estimada en 1.667.700 habitantes al 1o de Abril de 1975 con densidad de 22.0 habitantes por km. cuadrado. Cerca del 46 o/o de la población vive en las áreas urbanas. La población de la propia ciudad de Panamá está estimada en 455.693 personas. Hay tres grandes tribus indígenas en el territorio de Panamá: Los indios Cunas en las islas de San Blas en el Mar Caribe; los indios Chocoes en la Provincia del Darién y que viven en las Provincias de Chiriquí, Bocas del T...

to en 1501 por Rodrigo de Bastidas, uno de los capitanes que acompañó a Colón en su segundo viaje a la América. En 1513 Vasco Núñez de Balboa descubrió el Océano Pacífico desde una montaña del Darién en Panamá. En 1519 fue fundada la ciudad de Panamá por Pedrarias Dávila, el Gobernador del Istmo designado por la Corona española para reemplazar a Balboa. Panamá fue el centro de las exploraciones españolas y de expansión en la América Central y del Sur. La conquista de El Perú, por Francisco Pizarro, fue organizada en Panamá. Las expediciones de Hernando de Soto, descubridor del río Mississippi y la de Sebastián Denalcázar, fundador de Quito, Ecuador, también fueron emprendidas desde Panamá. Durante la rebelión de las colonias españolas, Panamá se asoció voluntariamente, por iniciativa propia a Colombia hasta 1903 cuando se separó de Colombia y se fundó la República de Panamá.

Idioma: El lenguaje oficial en Panamá es el español. En las principales ciudades muchas personas hablan y entienden también el inglés. Grupos minoritarios hablan italiano, francés, griego, chino e hindostán.

Moneda: La unidad monetaria es el Balboa (B./) que está a la par del dólar, y es de uso intercambiable.



Recursos Minerales: La abundancia de peces y mariscos da a Panamá su nombre, en lenguaje indígena. Pero el principal recurso natural de la República de Panamá es la explotación de su posición y configuración geográfica.



Panamá es rica en recursos minerales, pero sólo el oro y el manganeso han sido explotados. El cobre recientemente descubierto constituye uno de los depósitos más ricos del mundo y su explotación se prepara en un futuro cercano.

La piedra caliza se usa en la manufactura del cemento Portland, y la arcilla nativa es usada para bloques, mosaicos y alfarería. Los bosques son una fuente para finas maderas. Hay la posibilidad de una vasta reserva de petróleo.

Flora: Todo Panamá es un jardín donde los árboles florecen, especialmente en los meses de Abril y Junio. Entre ellos están las acacias amarillas y rosadas, la poinciana roja, la legastromia morada, la jacaranda púrpura. Durante el mes de Diciembre hasta Julio hay Bugavillas en todos los tonos. Hay cientos de orquídeas. También hay plantas cuyas hojas de colores son típicas de Panamá.

Fauna: Con dos océanos bañando las orillas, Panamá es rica en vida marina. Langostas, camarones, almejas y peces como el Merlín (Panamá es la capital del Merlín Negro), pez vela, pez espada, atún, dorado, bonito, corvina, barracuda, tintorera, sardina, pargo, sierra, etc. En las selvas se encuentran monos, pumas, jaguares, ocelotes, armadillos, cerdos silvestres, osos hormigueros, monos perezosos, venados y otros animales nativos del trópico americano.

Hay más de 850 especies de pájaros, además de aves migratorias del norte y del Sur, haciendo de Panamá un refugio turístico para ellos. El quetzal puede verse en la Provincia de Chiriquí.

Industrias: Panamá fabrica ropa, zapatos, objetos de cuero, muebles, fósforos, galletas, cerámica, mosaicos, cemento, cigarrillos, productos lácteos, bebidas alcohólicas, sodas, jugos enlatados, harina, azúcar refinada, productos derivados del petróleo, productos de plástico y aluminio. Otras industrias son la agricultura, avicultura, cría de cerdos, ganado y caballos de fina raza.

Agricultura: El cultivo de vegetales, bananos, cítricos y otras frutas, arroz, papas, azúcar, coco, es común en toda la república.

Exportación: Panamá exporta bananos, productos derivados de petróleo, camarones, azúcar, naranjas, cocos, cacao, madera, carne y cueros. El turismo es también una importante exportación que incluye bienes y servicios.

Panamá como Centro Bancario: Más de 76 bancos internacionales además de sus sucursales, operan en Panamá. Los Estados Unidos, Brasil, Colombia, Venezuela, Argentina, Corea del Sur, Japón, Alemania, Holanda, Suiza, Canadá, China, España, Francia y otros países están representados.

Deportes: Durante todo el año se puede jugar golf, tenis, boliche, practicar la natación y la pesca. Panamá tiene más de cuarenta marcas mundiales de pesca. Hay carreras de caballos en el Hipódromo y escuela donde entrenan los mejores jinetes del mundo; hay boxeo de campeonato (Panamá ha tenido a la vez 4 campeones mundiales en dos ocasiones). Hay además, beisbol, baloncesto, peleas de gallos, futbol, etc.

Juegos de Azar: Los Casinos, todos operados por el gobierno, son los más populares y se encuentran en los principales hoteles. La Lotería Nacional, cuyas ganancias están destinadas para obras de beneficencia y hospitales, se juega los Miércoles y Domingos. El Bingo se juega en "El Rancho". En El Hipódromo, además de las apuestas en las carreras, se juega "La Polla", cuyos boletos se venden en varios sitios de la ciudad. La ganancia en los juegos de azar no pagan impuestos.



Folklore: El folklore logra su expresión en Panamá, en sus bailes típicos; en su traje nacional, "La Pollera", llena de brillantes colores, y sus "Tembleques" usados por las mujeres; largas camisas bordadas, pantalones a la pantorrilla y un sombrero "Montuno", tejido de paja, como vestido nacional del hombre. Pueden verse en las festividades del Santo Patrono de un pueblo; en Febrero y Marzo, en Panamá La Vieja, y, por supuesto, durante el Carnaval.

El Carnaval es una celebración de 4 días de alegrías antes de la Cuaresma. Hay bailes, disfraces, comparsas, confetti y música en las calles, tóndos y centros sociales.

Carreteras: La Carretera Panamericana une a la ciudad de Panamá con sus provincias hasta la frontera con Costa Rica. Hacia la frontera con Colombia está aún en construcción. Otra carretera principal une a la Capital de Panamá con la ciudad de Colón que se encuentra a una hora de distancia, en el lado Atlántico. Los puntos distantes de la República pueden alcanzarse por medio de carreteras secundarias. El servicio de autobuses es excelente en Panamá.

Aerolíneas Domésticas: Hay muchas aerolíneas domésticas conectando la ciudad de Panamá con las Islas de San Blas, Isla de las Perlas y algunos puntos en el interior del país.

Sanidad: El agua de Panamá es la más pura del mundo y puede tomarse directamente del grifo. El nivel de sanidad es muy alto y la leche es pasteurizada.

Servicios Médicos: Son excelentes. Hay muchos especialistas de renombre. Los médicos son formados en la Universidad de Panamá y Universidades de Inglaterra, Estados Unidos, México, Argentina, España, U. R. S. S., y otros países.

Educación: Panamá invierte gran parte del Presupuesto Nacional en Educación. Sus escuelas públicas y privadas están bajo la supervisión del Ministerio de Educación. El sistema escolar se organiza en niveles de primaria, secundaria y universitarios de seis años cada uno. Existen dos Universidades como muchas facultades y una matrícula numerosa. La Universidad Santa María La Antigua es privada mientras que la Universidad de Panamá es la oficial.

El Canal de Panamá: Panamá recibe \$1,930,000.00 de los Estados Unidos por la concesión de transporte internacional marítimo que pasa por el Canal de Panamá. En 1882, el Canal comenzó a construirse por una compañía francesa, bajo la dirección del Conde Fernando de Lesseps, quien construyó el Canal de Suez. Los Estados Unidos construyeron el Canal después del fracaso de la Compañía francesa. Se terminó de construir en 1914 — en diez años. El tiempo promedio para que un barco pase de uno a otro océano por esta zanja es de 8 horas.

Compras: Panamá es un puerto libre para artículos de turismo procedentes de todo el mundo. Además de la Mola, una muestra de arte primitivo de los indios Cuna y de las artesanías nacionales, hay joyas, piedras preciosas, mantas bordadas, artículos orientales, perfumes, relojes, cámaras, equipo fotográfico y electrónico, fina cristalería y porcelana, todo esto a precios módicos. La mayoría de los almacenes abren de 9—12, y de 2—6, excluyendo los domingos.

La Zona Libre de Colón: Es un centro de distribución al por mayor y de re-exportación de mercancías a otros países.

Sitios de Interés

La Ciudad de Panamá: Son tres Panamá. Panamá La Vieja, Panamá Colonial y Panamá Moderna. En Panamá La Vieja están las ruinas de la ciudad que fué saqueada y destruída por el pirata Henry Morgan. El Panamá Colonial tiene sus calles angostas, balcones de hierro forjado, la Iglesia de San José con su Altar de Oro, el Arco Chato, Museos, el Teatro Nacional, la Plaza Bolívar, Plaza de Francia y las Bóvedas. Es fascinante la Panamá Moderna con sus fabulosos almacenes, bellas residencias, hoteles, casinos y vida nocturna.

Colón: Esta ciudad portuaria tiene un ambiente propio, con sus casas en la Calle del Frente. El histórico Hotel Washington Hyatt, cerca del mar, es un lugar desde el cual se pueden ver los barcos cuando se dirigen a transitar el Canal. Cercano está el Turiscentro de María Chiquita.

Portobelo: Un corto viaje desde Colón y se está en las ruinas de Portobelo, que en su tiempo fuera una ciudad comercial. Cristóbal Colón le dió el nombre por la belleza de su puerto. Durante dos siglos, Portobelo sirvió como fortaleza española y terminal en el Caribe para los productos que, procedentes del Perú, se transportaban por el Camino Real para luego ser embarcados hacia España. Cinco grandes fuertes cuyos vestigios aún pueden verse, protegían al puerto.

El edificio de la Aduana, del cual quedan la fachada y las paredes era el sitio en donde se depositaban las mercaderías durante las ferias comerciales.

celebradas cada dos años. También servía de depósito para los tesoros hasta que eran enviados a España. Sir Francis Drake murió cerca de Portobelo y se dice que fue enterrado en un ataúd de plomo, cerca de un lugar ya conocido como la Isla de Drake. Los piratas constantemente atacaban a Portobelo para saquearla. En la iglesia se encuentra la famosa estatua del "Cristo Negro", que se venera en todo el país y cuya procesión tiene lugar el 21 de octubre.

Isla Contadora: Está a 15 minutos de la ciudad de Panamá, por aire. Esta



hermosa Isla en el Archipiélago de las Perlas tiene en desarrollo un complejo turístico de muchos millones. Buceo, pesca, natación, tenis o maravilloso descanso en las playas de blanca arena, son atractivos especiales de Contadora. El agua cristalina que acaricia la orilla invita a practicar los deportes acuáticos. El lujoso Hotel Contadora cuenta con 210 habitaciones con vista al mar, piscinas (una con bar inmerso), casino, restaurantes, sala de conferencias, marinas, una cancha de golf de 9 hoyos. Lanchas y veleros se pondrán a disposición de los huéspedes. Contadora ha sido el sitio de muchas reuniones internacionales.

Islas de San Blas: Un corto vuelo de 20 minutos le hará vivir el pasado de hace 20 siglos, cuando visite la tierra de los Indios Cuna, quienes aún conservan sus hábitos de vida milenaria y sus viejas costumbres. Las mujeres usan una falda y una blusa con vívidos colores, decorada esta en el pecho y la espalda con la famosa "Mola", la expresión más auténtica del arte indígena. En las muñecas y en los tobillos usan adornos de cuentas de colores; usan también cadenas, aretes y anillos en la nariz completando así los atavíos que usan diariamente. Hay pequeños y cómodos albergues en algunos de las 365 islas del Archipiélago. La natación y el buceo en las aguas tranquilas del Atlántico son los deportes más populares.

Isla de Taboga: A una hora de distancia de la ciudad de Panamá por lancha, está la bella y serena Taboga, la "Isla de las Flores". No hay autos en la isla. Los deportes del mar son el pasatiempo favorito. Las tibias y azules aguas invitan a la natación, al buceo, al esquí acuático y a la pesca. En la isla existe un pueblo estilo colonial que lo invita a caminar por sus estrechas calles.

Playas del Pacífico: Pocas áreas cercanas a los centros urbanos ofrecen bellas playas como la Costa del Pacífico de Panamá. Hay una variedad de playas de arena blanca bañadas por aguas azules. Algunas de ellas tienen aguas tranquilas mientras que otras ofrecen oportunidad para correr sobre la cresta de las olas en las tablas hawaianas.

Las más desarrolladas son: Coronado, con sus canchas de golf y tenis, residencias veraniegas, restaurantes, villas de alquiler, condominios y playas. El Turiscentro de San Carlos es ideal para un día de playa. Río Mar, con la confluencia del río y del mar, tiene doble atractivo. El Palmar y Punta Chame ofrecen también cómodas cabañas y restaurantes. También existen las playas de Santa Clara y Nuevo Gorgona.

El Valle: A dos horas de la ciudad de Panamá, en carro, primero por la Carretera Panamericana y luego a través de las montañas, se llega a un fértil valle, en que los campesinos traen sus frutas, vegetales y artesanías al mercado los domingos. Esculturas en piedra, sombreros, canastas, mesas, bandejas, flores y madera tallada pueden adquirirse en el mercado. El clima en El Valle es fresco.

Las Provincias Centrales: Se recomienda visitar las Provincias Centrales, en donde el folklore nacional tuvo su comienzo y aún forma parte principal de su cultura. En Santiago, la capital de Veraguas, está la Escuela Normal que ha producido la mayor parte de los educadores de Panamá. La gente es

hospitalaria y el panorama es encantador. La arquitectura colonial puede ser apreciada en las iglesias. En Parita hay un Museo de Arte Religioso Colonial.

Chiriquí: Maneje o vuele a David la Capital de la Provincia de Chiriquí. Es interesantísimo conocer otro aspecto de Panamá, las tierras altas. El suelo es de gran fertilidad. En las planicies y verdes montañas florecen lo



naranjales y las plantaciones de café. Las hortalizas, el ganado y los caballos en los verdes pastos ofrecen encantadores cuadros. Esta región es excepcional bella, con ríos que invitan a la pesca de la trucha o simplemente disfrutando de la natación en los ríos de montaña.

Hay excelente cacería de aves y otras variedades de caza. Es el paraíso del Quetzal. Los lugares más populares son: Volcán, Cerro Punta y Boquete todos estos con un clima primaveral durante el día y frío en las noches, por lo cual en los hogares se construyen chimeneas. Hay pequeños y cómodos hoteles. Uno puede volar desde David al Club Pacífico, en la Isla de Coiba centro turístico para la pesca en la que se han logrado muchas marcas mundiales.

Provincia de Bocas del Toro: se le conoce más por las grandes plantaciones de banano y sus bellas playas, que conservan su encanto primitivo en las poblaciones a sus orillas.

Provincia del Darién: Este es el hogar del Indio Chocó y una de las más grandes regiones madereras. El Tropic Star Lodge situado en la Bahía de Piñas es un centro turístico para la pesca. Allí abundan el marlín y pez vela. La caza mayor en Darién es perfecta para el venado rojo, tapir, puma, jaguar, agouti, ocelots, margoy, etc. La carretera Panamericana que unirá a Panamá con Colombia se encuentra actualmente en construcción.

Cómo llegar a Panamá: Es fácil llegar a Panamá, en donde el visitante es recibido cordialmente. Al activo Aeropuerto Internacional de Tocumen arriban vuelos de Norte, Centro, Sur América y Europa. Hay vuelos hacia Panamá desde:

América Central: TACA, Pan Am, Iberia, COPA, LACSA, LANICA, SAHASA. **América del Sur:** Air Panama, LACSA, COPA, LAN CHILE, Aero México, Braniff, Avianca, Ecuatoriana, Varig, VIASA, Lloyd Aéreo Boliviana, KLM, Pan Am, SAM. **Europa:** British Airways, Iberia, KLM, VIASA. **Nueva York:** Pan Am, Braniff, Air Panamá. **Washington D.C.:** Pan Am, Braniff. **Miami:** Air Panama, Braniff, Pan Am, LAN CHILE, Ecuatoriana. **Los Angeles y San Francisco:** Pan Am y Air Panama. **Dallas:** Braniff. **Nueva Orleans:** Braniff y TACA. **Houston:** Braniff y Pan Am. **México:** Pan Am, Air Panama, Aeroméxico, LANICA.

Por Tierra: Se puede viajar desde los Estados Unidos, por la Carretera Panamericana, pasando por México y América Central hasta llegar a Panamá.

Por Mar: En barco, desde América del Sur, desde Los Angeles, Nueva York, Nueva Orleans, Miami y otros puertos de Estados Unidos puede llegarse a Panamá. Muchos barcos y cruceros tocan en los puertos de Panamá.

Permiso de Entrada: Depende de su ciudadanía. Es necesario tener un pasaporte válido y visa o tarjeta de turismo. La tarjeta de turismo se obtiene en las aerolíneas a un costo de B/.2.00 No se requiere certificado de vacuna contra la viruela, excepto para los viajeros que proceden de países infectados por esa enfermedad.

Impuesto de Salida: B/.5.00 se cobra en el Aeropuerto al salir del país.

Aduana: Se permite al viajero entrar a Panamá 3 botellas de licor, un cartón de cigarrillos o una libra de tabaco.

Iglesias: La mayoría de los panameños son católicos, pero todas las religiones son reconocidas y existen templos, iglesias y sinagogas.

Tarjetas de Crédito: Son aceptadas en la mayor parte de los hoteles, restaurantes y almacenes.

Teléfono y Cable: Hay disponible un excelente servicio de teléfono y cable internacional.

Hora: Hora "Standard del Este", Panamá tiene una hora de adelanto con respecto a Centroamérica.

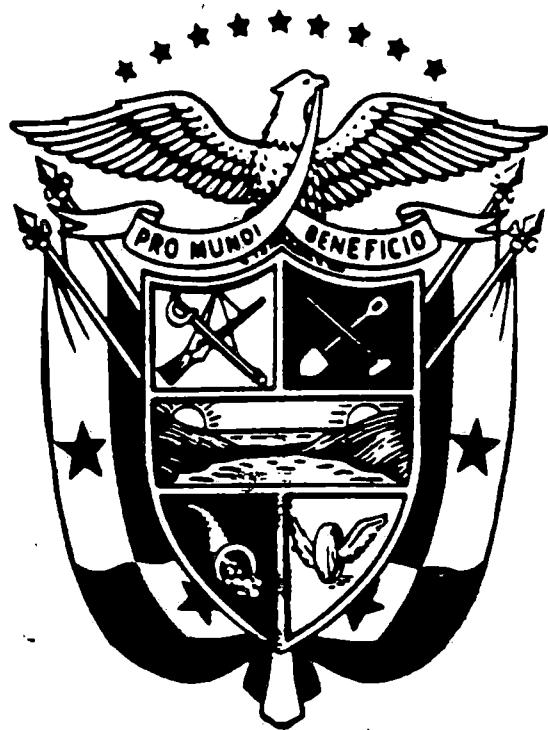
Propina: 10-15 o/o. Los maleteros reciben B/.0.25 por maleta.

Vida Nocturna: Panamá y Colón tienen clubes nocturnos y discotecas, en los que se ofrecen atractivos espectáculos de variedades. Los casinos y el Bingo son muy populares. Hay cines, teatro, ballet, conciertos, recitales y festivales de danzas.

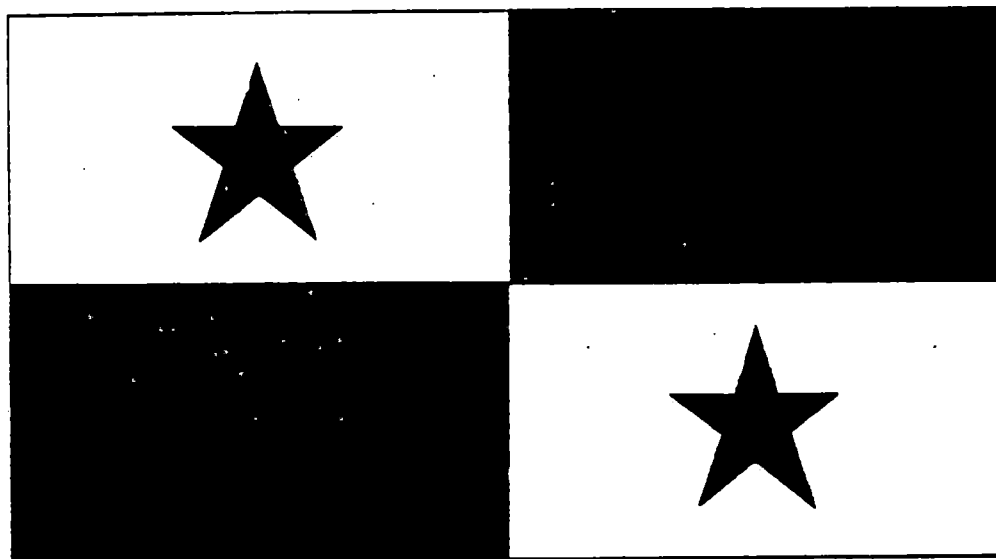
Restaurantes: La Ciudad de Panamá ofrece una variedad de restaurantes con platos para satisfacer el paladar más sofisticado. Además de la comida típica, se sirve cocina internacional en los hoteles y en los restaurantes, algunos especializados en comidas china, peruana, argentina, italiana, española, japonesa, mejicana y mariscos.

Hoteles: Los hay de lujo y a precios económicos. Los hoteles de lujo tienen clubes nocturnos, cafetería con servicio durante 24 horas, casinos, y piscina. En Colón, son recomendables el histórico Hotel Washington Hyatt y el Hotel Sotelo. En la Isla Contadora hay un lujoso hotel que ofrece muchas facilidades para diversión. En toda la República existen pensiones muy cómodas y limpias.

Super-Mercados: Son excelentes y muy modernos. Se encuentran en ellos finos aperitivos, quesos, vinos y licores nacionales e importados.



Escudo Nacional



Bandera

PARA MAYOR INFORMACION:

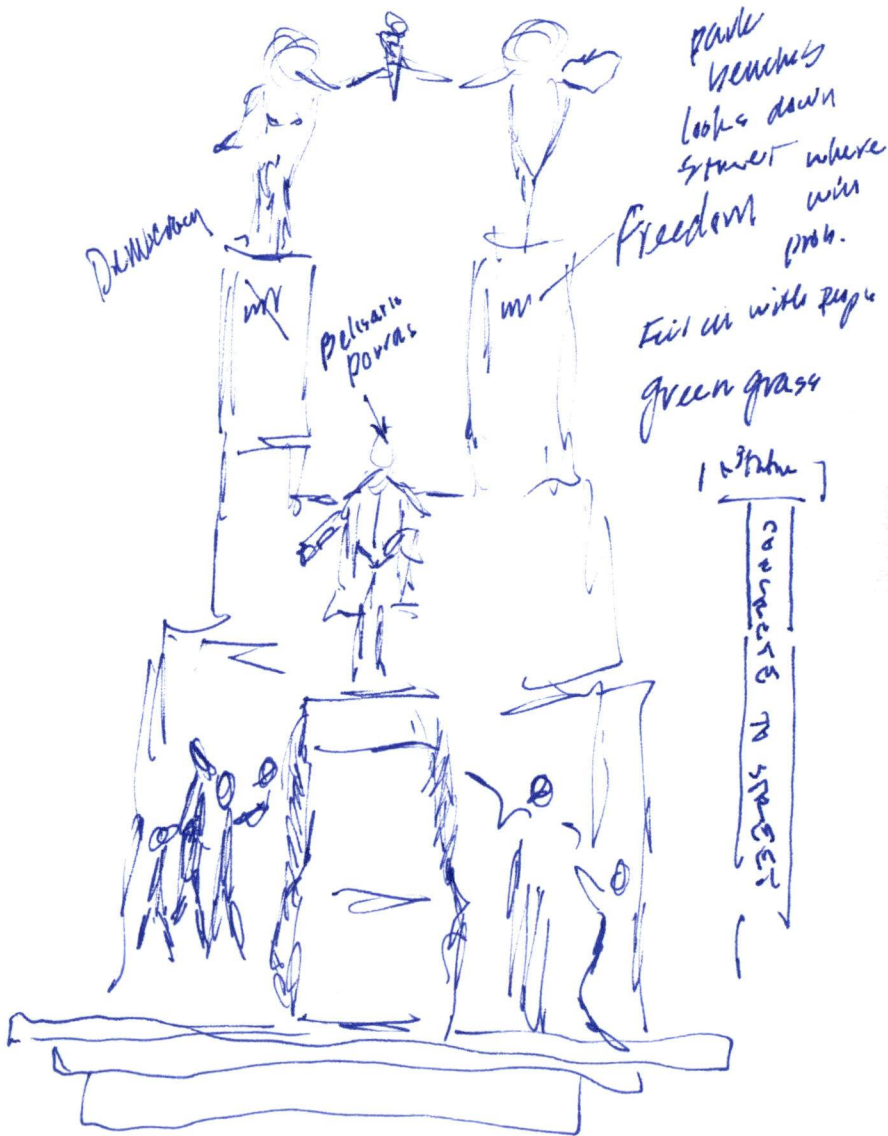
Nueva York
Instituto Panameño de Turismo
630 5th Ave. Oficina 1414,
Nueva York, N. Y. 10020
Miami
Instituto Panameño de Turismo
150 S. E. 2nd Ave.,
Miami, Florida 33131
Los Angeles
Instituto Panameño de Turismo
3900 W. 3rd St.
Oficina 1 Los Angeles, California 90020

Canadá
Instituto Panameño de Turismo
P. O. Box 5533
Toronto, Canadá M5W 1N7
Costa Rica
Instituto Panameño de Turismo
Edificio Numer
San José, Costa Rica
Panamá
Instituto Panameño de Turismo
Apartado 4421
Panamá 5, República de Panamá

THE WHITE HOUSE

WASHINGTON

Statue
in park



Park
benches
looks down
street where
will
prob.
Fill us with people
green grass

[Statue]
CONCRETE IN SPACES?

2 JUNE 1992
PRE-ADVANCE

TIM SIMMONS - LEAD
WHAT WEAR

△ Presidential Palace [Julio Harris control office]
Mayor of Panama (F.) will be @ mtgs.

Pres. Endara - ⊕ support towards President

beginning of 3 day trip

(Besa Williams)

NEED O'BRIEN

PETER DECHAISA⁵ - PUBLIC AFFAIRS OFFICER

Four hours on ground - one week Thursday

arrive 10:30 a / depart 2:30 pm

Ambassador Hinton (Deane)

3 WANTS:

△ BI-LAT PINS/ENDARA @ Palace

△ REMARKS OUTDOOR - NOT MAJOR SPEECH TBD

Poss: △ EMPLOY[^] PERSONNEL / FAMILIES / MILITARY PERSONNEL - / PRESS CONF. TBD
GREETING

Pres. Endara installed during "Just Cause"

Panamanians eager to meet with us -

this is rainy season - rain or 2 everyday; Sudden Flash Floods,
go quickly as come - very likely @ will rain

security situation - med. threat, grenades @ Chancery midnight;
lots of violent kind; robberies @ gunpoint, restaurant robberies
like East Washington.

Jose Ariza's best - McDonald's; KFC;
go through some areas w/ particular problems; intersection
roll up windows; lock door

likely to see demonstrations while here

— Canal shopping, beach

THE WHITE HOUSE

WASHINGTON

Dr. Powers - poss 2 vols
Monks of Pan in & may
⊕ Nat'lism

Founder of Univ. of Panama
Menedez-Pereira

* No real pol. leader

→ support of dem. system
End. prog. ready for

Pan is a functioning democracy
free/open competitive econ in 24
years of dictatorship
⊕ human rights
press is free

Ecology
pres. tropical
rain forest

preparation of
canal in
47% ahead

STEVE SMITH
WHA LEAD

THE WHITE HOUSE
WASHINGTON

CASCO VIEJO -

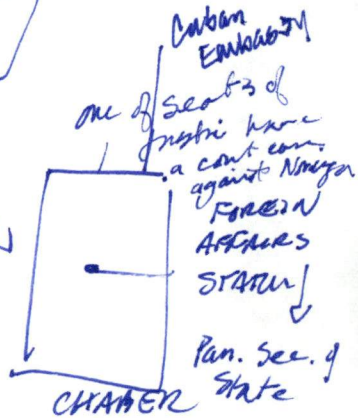
▲ ANTI-NORTEZA DEMONSTRATIONS UP & DOWN 50th STREET

→ Arrive 10:30 directly to Pres. Palace. 45 min
lunch → until 1:-1:30
Pr-lat / luncheon

Park - access from Foreign Affairs
Pan. Chamber of Commerce
open. Exiles held there

Plaza Belisario Porras

Spanish Embassy



angels
Democracy & Freedom

Bisa
Williams

507-27-1777 (8)
69-6965

THE WHITE HOUSE

WASHINGTON

Stage/dais in part of / in front statue

- fighting covid/
- glass enclosure
- outdoor speeches

Audience - mass of humanity

11:10 AM

Bob Morey - 4592

not a policy speech per se -

3-4 lines on policy sentence
swiz @ dictating?

—
pull as dev. Monterey Rally, Mex.
NOV. 90

called Peter DeChassa - 12:10 his time

HOTEL INFORMATION

Panama City, Panama

Marriott Caesar Park Hotel
77th Street, Via Israel
Panama City, Panama
011-507-26-4077
011-507-26-4262 (FAX)

Rio de Janeiro, Brazil

Sheraton Rio Hotel and Towers
Av. Niemeyer 121 22450
Rio de Janeiro, Brazil
011-55-21-274-1122
011-55-21-239-5643 (FAX)

PANAMA CITY, PANAMA - Hot, humid weather with frequent showers and thunderstorms dominates the climate in June. Average daily temperatures range between the mid 70's and upper 80's. Precipitation occurs on two of every three days, producing almost eight inches of rain for the month. The high temperatures and an average relative humidity of 82% results in a generally uncomfortable climate.

CLIMATE STATISTICS

LOCATION	TEMPERATURES (F)				AVERAGE NO OF DAYS PER MONTH			RH %
	HIGHEST ON RECORD	AVERAGE DAILY HIGH	AVERAGE DAILY LOW	LOWEST ON RECORD	RAIN	SNOW	TSTMS	
Panama City	95	86	76	69	19	0	16	81

===== TV MONITOR =====

*19 For more on Bush budget position, see #14.

THIS MORNING: CBS led with budget battles on Capitol Hill. NBC led with tropical storm 'Marco' moving across the West coast of Florida packing 65 mph. winds. ABC led with Christians and Moslems staging a demonstration in Jerusalem protesting Israel's killing of Palestinians. A New England Journal of Medicine study found that modest amounts of caffeinated coffee doesn't increase the risk of a heart attack (NBC). Kasparov won game two as Karpov resigned after 44 moves (CBS). Hal Bruno, on how the budget mess has affected Congressional campaigns: "At this point don't see much impact, you see a lot of noise but no impact on the campaigns as yet" (ABC).

LAST NIGHT'S LINEUP: CNN lead with footage of Kuwaiti escapees testifying before Congress. ABC and NBC lead with Bush's apparent reversal on capital gains. CBS lead with yesterday's crash of an Air Force jet in the Persian Gulf. CNN's "At Issue": Israeli ambassador Johanān Bein. ABC's "Nightline": "The military and the media in the desert, are reporters getting the real story?" ... CNN's "Crossfire": "Taxing Issue" ... CNN's "Larry King Live" looked at SIDS disease ... CBS's "World Tonight" featured nationwide increases in gas prices.

LOOSE LIPS: CNN showed footage of Bush leaving for a campaign visit in FL, leaving "behind a White House divided" and reported on Bush's reprimanding WH CoS John Sununu over indicating Bush is no longer interested in a capital gains/income tax deal (CNN).

vote to cut federal spending. ... Voting for this package is a vote for higher taxes." Hefner and Blanton had both opposed the earlier plan defeated in the House, but "Hefner voted for the proposal Monday because it will allow tax changes that are fairer to lower- and middle-income people" (SALISBURY POST, 10/9).

OR 05: A poll, conducted by Bardsley & Neidhart for KPTV from 10/2-7, surveyed 404 registered voters; margin of error +/- 4.9%. Mike Kopetski (D) 47%/ Rep. Denny Smith (R) 37%. With "leaners": Kopetski 50%/ Smith 41%. "Most likely voters": Kopetski 49%/ Smith 36% (Bardsley/Neidhart release, 10/10).

===== HOTSPOTS =====

*18 CALIFORNIA: In their final scheduled meeting before 11/6, LG Leo McCarthy (D) and his challenger st. Sen. Marian Bergeson (R) "clashed ... over abortion, the environment and McCarthy's attendance records" at state meetings (L.A. TIMES). McCarthy "contended that Bergeson would seek to 'criminalize' abortion and punish those who terminate their pregnancies," but Bergeson said she would support penalties against doctors, not women who obtain abortions. Bergeson hit McCarthy for "political expediency," by "reminding him that he had voted as an assemblyman to limit access to abortion" (10/10).

ILLINOIS: Political/Media Research surveyed 809 IL LVs 10/5-8, margin of error 3.5% (COPLEY NEWS/Springfield STATE JOURNAL-REGISTER, 10/10). Sec/State: Treasurer Jerome Cosentino

Photocopy from George Bush Presidential Library

Department of Justice
514-2006

US Attorney Miami:
(305) 536-4471

July 10

Public Affairs

sentencing for
Gen. Noriega

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President Reagan to Panama?

Reagan Office in LA

(310) 552-1980

Reagan Library Simi Valley

(805) 522-8444

Cathy Sewell

Not as President to Panama

===== TV MONITOR =====

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