

# U.S. invasion of Panama begins to explode in Bush's face

by Carlos Wesley

George Bush's "tamales war" against Panama is beginning to explode in his face. In the Jan. 5 issue of *EIR*, Founding Editor Lyndon LaRouche pointed out that the Dec. 20, 1989 invasion of Panama could bring down the President. "What I suspect we will be seeing is a President being put to the test. If he does not change—and I speak of typically the liberal Establishment, which will give him a little time and a chance to learn his lesson after he has been slapped in the press and elsewhere—then they will crush him," said LaRouche.

It seems that the Establishment may have begun to go after Bush, as LaRouche foresaw, and it is doing so by using information that appeared in that same issue of *EIR*, under the title, "Bush Names Drug Mob Capos to Rule Panama."

In an article published Feb. 7, "Panama Is Resisting U.S. Pressure to Alter 'Inadequate' Bank Laws," the Establishment's mouthpiece the *New York Times*, wrote: "An extensive review of Panamanian banking records and court documents shows, too, that many senior leaders in the government, while never accused of money laundering, have had strong ties to corrupt banks. Several of the banks have either been indicted for money laundering or been shut because of pressure from the United States."

In a point-by-point reiteration of the charges made repeatedly by *EIR*, the *Times* article says that the U.S.-installed "President of Panama Guillermo Endara, has for years been a director of a Panamanian bank used extensively by Colombia's Medellín drug traffickers. . . . Banco Interoceanico de Panama, one of the two dozen Panamanian banks named in a case based on an FBI case code-named Cashweb/Expressway." The *Times* added: "Mr. Endara, a corporate lawyer before becoming President, is a close friend of Carlos Eleta, a Panamanian businessman who was arrested in Atlanta in April on charges of conspiring to set up a major cocaine smuggling ring. Released on bail, he is now awaiting trial."

Not mentioned in the *Times* coverage was that Carlos Eleta was an employee of the CIA at the time of his Georgia arrest for conspiracy to smuggle 600 kilos of cocaine per month into the United States, and for conspiracy to launder the estimated \$300 million in drug profits. Eleta was in fact the CIA bagman who delivered a \$10 million illegal campaign contribution from the Bush government to Endara's gang for their May 1989 electoral bid. In an attempt to protect their asset, the administration had the Justice Department

drop the cocaine-smuggling charges against Eleta on Feb. 2, but he will still have to go on trial later in the month on the money-laundering charges.

Also omitted from the *Times* article are the drug connections of the Chief Justice of Panama's puppet government, Carlos Lucas López Tejada.

But most of the rest of the cast of characters identified by *EIR* is included in the *Times* coverage:

"Guillermo (Billy) Ford, the Second Vice President and chairman of the banking commission, is a part-owner of the Dadeland Bank of Florida, which was named in a court case two years ago as a central financial institution for one of the biggest Medellín launderers, Gonzalo Mora.

"Rogelio Cruz, the new Attorney General, has been a director of the First Interamericas Bank, owned by Gilberto Rodríguez Orejuela, one of the bosses of the Cali drug gang in Colombia. . . . The families of First Vice President Ricardo Arias Calderón and the Finance Minister, Mr. [Mario] Galindo, are also heavily involved in banking. Mr. Galindo's cousin, Samuel Lewis Galindo, is chairman of Banco del Istmo. . . . President Endara acknowledged that the success of Panama's financial center in the 1970s and 1980s was the result of the Latin American drug cartels."

Edgardo Lasso Valdes, the Costa Rican president of Panama's Banking Association, said, "It was hypocritical of United States officials to be citing Panamanian banks. He said the punishment meted out recently in the two largest drug-money laundering cases in the United States shows that American officials themselves are not particularly tough on money laundering," according to the *Times*.

Lasso Valdes is right. A federal judge in Florida agreed on Feb. 6 to let stand a plea-bargaining agreement reached by the Bank of Credit and Commerce International (BCCI) with the U.S. Justice Department. The bank, which could have been fined \$28 million for laundering \$32 million in drug funds, was let off without a fine, and placed on probation, after agreeing to split its drug profits with the U.S. government.

In the wake of the *Times* story, which was picked up by the wire services and published throughout the world, there were frantic efforts to clean up the image of the U.S.-installed Panamanian troika. First, the State Department denied that Endara, Arias Calderón, and Billy Ford were resisting changes in Panama's banking regulations. "We're working with

them. We're talking with the government. We understand the Endara government intends to take legal and regulatory measures," said State Department spokesman Richard Boucher on Feb. 7.

The same day, Billy Ford, in a complete about-face, gave a speech saying the government had decided that Panama's bank secrecy laws had to be changed. Earlier, Ford had told Reuters that there was no need to change the law. "Secrecy will not be used for illegal purposes, period," said Ford. "They have a claim against an account, we have a judiciary now we feel proud of all the way up to the Supreme Court." Comptroller General Rubén Darío Carles said categorically, in an interview published by the *Los Angeles Times* on Feb. 1, that the banking laws "are not going to be changed. We don't have to change our whole legal system because of drugs. We can't change the whole legal system because of one thing."

The changes in the banking regulations they have now agreed to institute will be cosmetic ones, just enough to try to protect Bush from the growing scandal of having forcibly overthrown the government of Gen. Manuel Noriega, in order to install a drug-linked government in Panama. "The changes we are talking about are not that major," said Endara on Jan. 28.

### **LaRouche, center of the resistance**

While the *New York Times* did not credit *EIR* as the source of its story on the links to the drug cartels of senior Panamanian officials, the U.S.-installed Panamanian troika did blame *EIR* and the international political movement headed by Lyndon LaRouche for the revelations. In a full-page broadside published by the Panamanian daily *La Prensa* on Feb. 6, the Christian Democratic Party of First Vice President Ricardo Arias Calderón attempted to control the damage by saying that they had detected "a worldwide disinformation campaign against the Panamanian government" headed by LaRouche.

"The epicenter of this campaign," according to the broadside, "is the West German city of Wiesbaden, headquarters of the 'Fusion Foundation,' one of the front organizations controlled by North American multimillionaire [sic] politician Lyndon H. LaRouche," it said.

"Lyndon H. LaRouche is serving a prison sentence in the United States for diverse crimes proper to his murky activities, oriented toward promoting and destroying the images of nations, businesses, politicians, and others. His imprisonment, however, is no obstacle to the functioning of his various front organizations around the world. Among those—in addition to the previously cited Fusion Foundation—is the well-known *Executive Intelligence Review*, a pretentious publication, the Schiller Institute, and others."

Reflecting the nervousness of the Endara gang, the broadside said, "The campaign's themes have already begun to be heard and read. We find them in politicians' speeches, in

journalistic writings, in radio and television commentaries carried everywhere by serious as well as by tendentious press agencies as legitimate matter for the consumption of public opinion of the various countries and world public opinion." It claimed that this campaign, centering around LaRouche, "will try to destroy the political images of Panama's top democratic leaders. All will also be accused of having been tied to 'money laundering,' 'drugs,' and other crimes."

The defensive tone of the broadside is understandable. *La Prensa's* publisher is Roberto ("Bobby") Eisenmann, co-owner with Guillermo Billy Ford, and Endara's envoy to Washington, Carlos Rodríguez, of Dadeland National Bank of Florida, "a central financial institution for one of the biggest Medellín launderers, Gonzalo Mora," according to the *Times*.

### **Dictatorial government**

Endara's government is fast losing what support it had. Archbishop Juan Sebastian Laboa, the Vatican's diplomatic envoy to Panama, charged, "We have exchanged one dictatorship for another." The bishops of Colon and Darien, José Maria Ariz and Romulo Emiliani, apologized for not forcefully opposing the U.S. invasion. "We ask our faithful to forgive us for the times we have forgotten their projects and God's plans, by following idols contrary to the kingdom we proclaimed." In an allusion to the deal between the superpowers that made possible the invasion of Panama, the bishops said that "not favoring an alliance among the poor and instead supporting the plans of the world powers, means our churches distanced themselves from God's plan."

The clerics' attack was aimed particularly at Panama City's Archbishop Marcos McGrath, one of the leading voices within the Catholic Church in support of the invasion. McGrath sought to minimize his responsibility for the current disaster, by criticizing the lack of U.S. aid. According to Miami's *Diario las Américas* Feb. 6, McGrath refused to reiterate his support for the U.S. invasion. Instead, he claimed that the U.S. had failed Panama by not providing immediate assistance for the victims of the invasion. According to McGrath, it will take at least \$40 million just to rebuild Chorrillo, a neighborhood which was destroyed by the U.S. bombardment.

However, McGrath's new line has a hollow ring to it. He made his pronouncements while in the United States to attend an emergency meeting of the Inter-American Dialogue, a group which since 1986 has demanded the legalization of drugs. The drug legalization call was signed by McGrath.

The U.S. House of Representatives did approve \$42 million in emergency aid for Panama on Feb. 7, but only \$12.5 million of that money is cash for rebuilding the war-damaged areas. This money, to bolster the aristocratic Endara regime, was diverted from funds originally earmarked for housing programs for U.S. homeless and aid for Sudan and Somalia, two of the poorest countries in Africa.