

Carter To Scapegoat Congress For Panama Explosion

August 2 — Jimmy Carter sent Panamanian head of state General Omar Torrijos a letter four days ago confirming that his Administration has no intention of seeking a peaceful negotiated settlement to the question of the Panama Canal. The presidential letter, billed as an effort to reach an agreement soon on a new Canal treaty, declares the U.S. completely intransigent on both the financial and the "lands and waters" section of the draft treaty under discussion between the two countries.

PANAMA

From the start of negotiations during his term of office, Carter has known that a new Canal treaty has almost zero chance of being ratified by the U.S. Senate. His letter, however, is a signal that he may not wait for a congressional rejection to provoke a breakdown in talks and relations with Panama. As elaborated by numerous Rockefeller and Administration thinktankers in the last year, the current U.S. government is seeking a collision with Panama to set off a chain reaction confrontation in the Caribbean and Central American region — culminating in a military showdown with the Cubans.

High-level intelligence sources in the U.S. have independently reported that Carter and his Secretary of State Cyrus Vance are planning to provoke an "explosion" in Latin America in the very short term. A confidential "backgrounder" press briefing, by Robert Pastor of the National Security Council in the last week, telegraphed the same warmongering intent.

Take It or Leave It

In his letter, Carter wrote Torrijos: "The United States has made a number of major concessions in the lands and waters area (the transfer of land now used by U.S. military bases to Panamanian jurisdiction — ed.) during the past several months. For my country to make any significant further adjustments would handicap us unacceptably in operating and defending the canal."

There has been no direct response to the letter by the Panamanian government, which is bargaining for a faster U.S. military withdrawal from the Canal Zone and a substantial increase in the current piddling \$2.4 million per year that the U.S. pays Panama out of the Canal tolls. But even if the Panamanians are prepared to brush aside Carter's latest ultimatum and reach a compromise accord, the danger of war in the region will not be significantly decreased.

In answering Torrijos's demands on financial compensation, Carter wrote, "It may be that these proposals (U.S. money offers — ed.) will be less than you had expected or wished, but I hope that you will understand that they represent the most that we could undertake to do, based on our consultations with the Congress." Carter is publicly underscoring his confidence that a sizeable bloc of conservatives in the U.S. Senate will prevent the ratification of a treaty, should it be drafted, and thereby assist him in sparking off a war in Latin America.

The *Miami Herald*, which has followed the Canal talks closely, reported two days ago that, "Even the staunchest proponents of a new agreement there concede that the 67 votes required for ratification (in the Senate — ed.) are not yet in hand." The paper quotes one U.S. official warning, "If you think we've had trouble with Panama, wait 'til it gets to the Senate." The article also says that chances are slim that a treaty draft could even be considered by the Senate before the scheduled October recess, pushing debate into the 1978 session and thereby virtually assuring defeat because of the midterm election campaign.

NSC Briefed Press On Latin War Scenarios

August 2 — Reliable sources have informed NSIPS that the "high American official" who confidentially briefed Washington reporters last week on Carter scenarios for war in Latin America was Robert Pastor, Latin American staff head for the National Security Council.

Pastor, known for his central role in Carter's phony "human rights" campaign in Latin America, was executive director for the "Linowitz Commission" report on Latin America and simultaneously worked on the Latin American policy document, *The Southern Connection*, issued by the Rockefeller-run Institute for Policy Studies earlier this year.

An Associated Press wire of July 28 cited Pastor without identifying him as giving reporters a detailed listing of "the focal points of possible military tensions" on the continent. When confronted with the fact that it was he and the NSC who are fanning these tensions to the point of armed conflict, Pastor lost his composure and shrieked, "That wasn't supposed to get out."

"Don't Look At Me"

The conservatives are opposing the treaty because of moronic chauvinism mixed with a healthy distrust of any foreign policy proposals put forward by the Carter government. But their failure to break out of a profiled jingoism has led them into the role of accomplices to the atrocities planned in the Caribbean region by the Rockefeller interests they otherwise oppose. Typical was the

statement by Sen. Orrin Hatch (R.-Utah) four days ago when he told the State Department, "If you go ahead with a new Panama treaty, knowing that a dictatorship down there depends on that treaty, you may be creating an irreparable problem. That government may send troops into the Panama Canal within an hour of either chamber of Congress not favoring legislation to implement this."

This anti-treaty posture is letting Carter, Vance and

What Do We Do With The Panama Canal?

Excerpted below is a policy statement issued by the U.S. Labor Party on June 18.

New Hampshire Governor Meldrim Thomson, a leading anti-Carter conservative Republican, presented an important new policy initiative on the question of the Panama Canal at a Miami press conference June 15. Thomson, who had just returned from a three day trip to Panama, called for a full moratorium on the repayment of all Panamanian debts to the United States and for a \$1.5 billion program to expand and improve the canal itself.

Such economic aid should be contingent on rejecting any new Canal treaty that returns sovereignty over the U.S. Canal Zone to the Panamanians, Thomson said. "The fact remains," said Thomson, "that the treaty of 1903 gives us the canal forever."

A franker variation of this came from conservative California Senator S.I. Hayakawa: "Return the Canal? Hell, we stole it fair and square."

In a nutshell Thomson has stated the best and worst of the U.S. conservatives' approach to Panama. The best is the growing recognition that debt moratoria and development are key to saving Panama from destruction as the off-shore banking haven for the Wall Street banks. The worst is the obsession with direct U.S. control over canal security and defense — an obsession the Wall Street forces are manipulating to destroy any *real* security in the Zone or the surrounding Central American region.

U.S. concern over preserving the security of the Panama Canal as a vital transoceanic waterway is completely valid, but it can be met only by fostering pro-development, republican governments in the entire Caribbean and Central American region, and by knitting them together with anti-monetarist forces in the United States around a program for regional economic development.

Gov. Thomson has simplistically *mislocated* the issue of canal security, thereby stumbling center stage as an unwitting actor in Wall Street's Panama scenario.

Principles of Agreement

The details of a new Panama Canal treaty will have to be worked out in thoroughgoing bilateral

negotiations between Panama and the U.S., but the following *principles of agreement* are the necessary basis without which Canal negotiations will degenerate into one or another variant of the Rockefeller war scenario.

(1) *Security*: It is a monetarist illusion to think that U.S. troops or U.S. bases can guarantee the security of the Canal Zone. In fact the best guarantee of the Canal's security, as of the U.S.'s broader strategic interests, is the existence of stable, republican forms of government throughout the region. As Labor Party Chairman Lyndon H. LaRouche, Jr. has pointed out in his recent book "The Case of Walter Lippmann," this is a long-standing American policy in the tradition of Franklin, Carey, Clay, and Adams: "Our national foreign policy was based on the principle of viable and truly sovereign republics, and most emphatically so respecting our hemispheric neighbors."

Today, real security for the Panama Canal means that the backward, loot-collecting Central American regimes of Nicaragua, Guatemala, Honduras, and El Salvador first must be cleaned up.

(2) *Development*: A regional project for the development of technologically advanced agriculture and industry is a necessity. Gov. Thomson's suggestion of a \$1.5 billion fund to expand and improve the Panama Canal is a first step — the canal can no longer handle modern supertankers — but it doesn't go far enough. The Labor Party will publish shortly a more detailed proposal for the region's rapid industrial development, including capital intensive mining, livestock breeding, and agriculture.

(3) *Sovereignty*: The Canal Zone lies within Panamanian national territory, and should be returned to the sovereignty of that nation *at the point when the Canal's security and neutrality for purposes of international trade and development can be guaranteed, as defined above*. Under those conditions, the transfer of control is the subject of mature negotiations between co-equal sovereign nations, who have a common interest in preserving the canal as a vital part of regional commerce and development projects.

Rockefeller off the hook as the conservatives play fall guys for the Administration. General Torrijos has called six Latin American heads of state to a meeting on the Canal in Bogota, Colombia for August 5, and advance reports indicate that they will praise Carter's efforts to reach an agreement and issue strong attacks on the treaty's congressional opponents. One scheduled at-

tendee, President Daniel Oduber of Costa Rica, is already quoted as calling for "launching a battle against the core of conservatives in the North American Senate who are using every method to block a new treaty."

Carter, meanwhile, will be repeating over and over, "Don't look at me."

— Dan Wasserman

Background To A 'Managed' Crisis

The Panama Scenario

The Carter Administration's intentions on the question of the Panama Canal are underlined by a comparison of two documents: "The United States and Latin America: Next Steps," the second report by the Commission on United States-Latin American Relations (the "Linowitz Commission") and "Latin America: Struggle for Progress," written by James Theberge and Roger Fontaine for Nelson Rockefeller's Commission on Critical Choices for Americans. The first, the semi-official "transition document" of the Carter Administration, recommends:

The new Administration should promptly negotiate a new Canal Treaty with Panama; it should involve members of both parties and both Houses of Congress in the negotiations; and should make clear to the American public why a new and equitable treaty with Panama is not only desirable but urgently required.

The second document, in which top negotiator Linowitz had an equally sizeable hand in drafting, reveals the reality behind the conciliatory advice of the Linowitz report. (See below) From the analysis of the Critical Choices book and from the actions of the Carter Administration it is clear that the current U.S. government has no intention of signing a new Panama Canal treaty. Instead, the Carter Administration is attempting to use the Canal talks to lay the preconditions for a major explosion in the region, and, as suggested in the Critical Choices report, provoke the Cubans into a confrontation that would serve as an "Angola" in the Western Hemisphere.

The various scenarios spinning off of such a confrontation are myriad, but the basic objective would be an attempt to force the Cubans, and through them the Soviets, to cede strategic ground. Within the same plan, according to the blueprint, the Caribbean would be reconquered as the domain of the U.S. Sources in the U.S. intelligence community have confirmed that the same forces within the U.S. government who are attempting to instigate a Guatemalan invasion of Belize are working to insure that a new treaty is not signed.

There are three distinguishable options open to the Carter Administration to achieve this end and thereby provoke the desired confrontation. The first is to act so intransigently at the negotiating table and simultaneously to be so provocative elsewhere that the

Panamanian government will be forced to break off negotiations. The second is to draft a treaty with the Panamanians and then rely on strong opposition in the U.S. Senate to block its ratification. The third, closely related to the first, is to utilize one of the terrorist networks under the control of the government or related private intelligence networks to either assassinate General Torrijos or to sabotage the Canal.

Since the Critical Choices report deems the second scenario "the more likely," it will be dealt with at greater length. Concerning the first and third options, the following facts should be pointed out. First, that the decision on whether or not to force a breakoff in talks before a treaty is drafted will depend largely on the pressures on the Administration from outside the Americas. The motion of the Soviet Union, the Europeans and the OPEC member nations in forging an alternative to the current dollar-based monetary system will be the key determinant of both the desperation and the political capabilities of the Rockefeller-Carter forces in attempting to stage an early confrontation over the Panama question.

In his Yazoo speech two weeks ago, Carter trampled on several of the most sensitive issues of the ongoing negotiations. He casually talked about the construction of a new sea-level canal and referred to the U.S. relationship toward the canal over the length of the new treaty as one of "partial sovereignty." These remarks did not succeed in provoking any angry response from the Panamanians. Ambassador Linowitz's public affairs spokesman, when asked about the Carter speech, said that he was "very surprised" that Gen. Torrijos had not reacted. Several days later, according to the Panamanian press Torrijos was nearly killed in a helicopter accident when the Canal Zone air control tower ordered his craft to descend in altitude, putting it directly in the path of two U.S. Air Force a-7 jets.

The likelihood of an attempt on Torrijos's life is a constant theme in the U.S. press coverage of U.S.-Panama relations. Reference to a coup against him is made in the Critical choices report. Explicit and lengthy discussion of Torrijos' possible sudden death is included in a February, 1977 article in the New York Review of Books, written by former British intelligence agent Graham Greene. To implement such "executive action" against Torrijos, the Carter forces would only have to turn to the right-wing Panamanian exile community based in Miami, Florida and organized around Torrijos's former collaborator, Boris Martinez. These exiles,