
Interview: Nils Castro

Panama under the U.S. occupation

by Carlos Wesley

Nils Castro is secretary for international affairs and a member of the political leadership of the Democratic Revolutionary Party (PRD) of Panama. He is also vice president of the Permanent Conference of Latin American Political Parties (COPPAL), and member of the executive committee of the Latin American Association of Human Rights (ALDH). He was one of the intellectuals who collaborated closely with Gen. Omar Torrijos, and was also an adviser on foreign relations to various Presidents of the Republic of Panama. He is currently living in exile in Mexico, where he coordinates the office which represents the Panamanian national resistance and the PRD abroad. What follows is the first part of a two-part interview, to be concluded next week.

EIR: What can you tell us about the situation in Panama at this time?

Castro: There are two elements to the current Panamanian situation. First, the terrible socio-economic effects of 30 months of political and economic aggression on the part of the Reagan and Bush administrations against the Panamanian people, and the operations of harassment, intimidation, and military threats that characterized the final six of those 30 months. Then, there are the brutal effects of the military aggression and occupation of the country by the United States Army. To the indignity of the occupation and the virtual destruction of the national state and sovereignty of Panama can be added the disastrous effects of the massive destruction of infrastructure, housing, and economic activity. First by the air bombardments, and later by the occupation itself, which has had extraordinarily ruinous effects on the national Panamanian economy . . . to the extreme that more than 30,000 workers have lost their jobs both in the public and private sectors, following the invasion, which in turn has caused additional banking and financial restrictions due to the enormity of the damages incurred.

What has occurred in Panama is a coup d'état carried out through the intervention of a foreign army—a coup d'état which has placed in power a puppet triumvirate, in which

Mr. Endara has very limited political powers. Bearing the principal role in this puppet dictatorship are Mr. [Ricardo] Arias Calderón and Mr. Guillermo Ford, the first representative of extraordinarily reactionary interests and the other of financial-speculative interests. This triumvirate imposed by the United States Army has virtually destroyed the state of law and the political freedoms of the country. Since the installation of this puppet government, there is an environment of intense repression in Panama, where more than 50,000 prisoners have been kept in concentration camps, where the majority of neighborhood and popular leaders, business, labor and political leaders have been subjected to conditions of hiding and persecution, thanks to the other enormous violations of a genocidal and terrorist nature caused by the invasion itself, such as the fact that more than 5,000 persons have died, above all within the non-combatant civilian population, primarily as victims of the bombardments. It is calculated that at least one of every five Panamanians lost a relative or close friend in those first moments of the occupation.

EIR: President Bush says that the invasion was received with approval by the immense majority of Panamanians. There is even talk of a poll where more than 90% of the population came out in favor of the invasion. What do you say of this?

Castro: That contradicts the fact that in different parts of the country, the population stubbornly resisted the invaders, and that that resistance was carried out under extraordinarily difficult and unfavorable conditions. If there had been such satisfaction with the arrival of the invaders, there would not have been the scenes of heroism and martyrdom with which the invasion was met and rejected.

You also have to take into account manipulation in various forms. Remember that the country's economy and society suffered a lot during the previous two years from the aggression. And in the second place, the invasion was carried out with an extraordinary show of force, of power, intended to crush, to psychologically neutralize a population which

had been suffering severely for two years while saturated by an intense propaganda campaign. It is possible, I admit, that a portion of the population breathed a sign of relief to think that the economic aggression would cease, that perhaps better times would come. However, they immediately discovered that the effects of the economic aggression not only persist but are worse, and that far from an improvement, we have a much more dramatic situation now. Those who at some point suffered the illusion that some kind of bonanza would come after the invasion are already clearly disillusioned, not merely because the situation has worsened, but because on top of it has come a terrible climate of political repression.

Taking a poll under these new conditions of political repression, even more so if the poll is manipulated, will always yield highly doubtful results given that it takes place in an environment in which thousands of citizens are being detained day after day. These arrests were initially carried out, and continue to be carried out, by the United States Army. As the days have passed, the puppet triumvirate has been training its own repressive capability, and has now begun to carry out arrests as well. No one can feel truly free to answer polls, especially if the questions are asked in one's own home.

EIR: The Bush government has said that the invasion was to reestablish democracy.

Castro: That excuse, of a supposed concern for democracy, carries no weight. One should remember that in the resolution and declarations produced during the three OAS meetings prior to the invasion, the accepted consensus—including by the United States representative—had two constants: one, that of non-intervention, and two, the prompt holding of new elections in Panama. The general consensus of all the countries of the hemisphere in that resolution and in the OAS declarations was the refusal to grant any validity to the elections held under very controversial conditions last May, and to require the holding of new elections.

With the ink of the U.S. ambassador to the OAS still fresh on that consensus, the invasion flagrantly violated the OAS agreements, while enthroning a *de facto* regime instead of paving the way for new elections.

Thus we are speaking of something quite distinct from any democratic perspective. We are talking about the installation of a puppet government by force, instead of holding democratizing elections, which is what had been demanded by consensus by the Latin American governments before the invasion. And after the invasion, the OAS resolution again insisted on this concept. And in Panama, during the 30 months of aggression prior to the invasion, we were subjected to a climate in which one was apparently forced to choose between sovereignty or democracy. Defense of national sovereignty requires whatever is necessary to confront aggression versus the fact that they wanted to impose upon us a model of democracy not chosen by the Panamanian people

in accordance with their national reality. So, finally, we have arrived at a situation in which, via U.S. aggression, the country now has neither sovereignty nor democracy.

EIR: President Bush has just offered \$1 billion to Panama. Doesn't this represent an economic bonanza for the country?

Castro: In the year 1988 alone, the Panamanian national economy suffered losses of more than \$2.1 billion. [This included] retaining of funds not paid to Panama for use of the canal, taxes that the U.S. companies failed to pay Panama, etc., on the order of \$600 million. This caused the bankruptcy of the majority of small businesses, and a large portion of medium-sized companies in Panama, the layoff—in 1988 alone—of more than 70,000 workers and, therefore, the doubling of the unemployment rate that year. Also, serious shortages of food products and, above all, of medicines and medical-surgical equipment, all of which severely affected health care in Panama, including in the private medical sector.

The losses in 1989, prior to the invasion, were probably greater still. To that can be added the enormous losses caused by the invasion itself. The Chamber of Commerce, for example, estimates that damage to businesses in the capital city alone has amounted to more than \$1.1 billion. In this context, the amount mentioned by President Bush—on the presumption that it will in fact go to the Panamanian economy—proves insignificant in relation to the total losses caused by the U.S. aggression against Panama. It is far from what is required to make up for the economic and social cataclysm caused by that invasion.

EIR: How much money belonging to Panama did the U.S. freeze under the sanctions? The U.S. government is claiming that it is only holding in escrow \$400 million of Panamanian government funds. Is this figure accurate?

Castro: It was \$600 million in 1988, and between \$600 and \$700 additional millions in 1989. This is expressed in the fact that in 1988, the Panamanian treasury collected only 52% of what it had collected in 1987, and this same situation worsened throughout 1989. The greatest part of that deficit in tax revenues was due to the fact that U.S. companies and the canal failed to pay its debts to the Panamanian state.

EIR: So the U.S. government has at least \$1.2 billion of Panamanian tax revenues, according to your calculation, of which they only acknowledge \$400 million. What happened to the other \$800 million?

Castro: Well, a large part of that money was spent on the destabilization campaign to destroy the Panamanian national state, and obviously part of that money disappeared into thin air. Not only does the U.S. claim to be holding a much smaller amount, but it has not even bothered to return what they admit to having.

Next week: What are the real U.S. strategic aims in Panama?