

of America, as well as in Panama and other countries of Latin America. And that is the drug war.

I am particularly pleased today to be here in Washington, sharing with this select audience, some of the concerns that we face in our country. One involves the remaining American presence of military troops past the year 2000.

### **Uphold the Torrijos-Carter Treaty**

About three years ago, we received information from a group of friends in the international intelligence community, that there were plans on the part of certain reactionary circles in the United States, to keep American troops in Panama past the year 2000, in violation of the Torrijos-Carter Treaty. It was evident that, as we approach the zero hour—noon of Dec. 31 of this year—there has been an increase in subversive activities in the part of our region which borders the Darién Province on the Panama side of the Panama-Colombian border.

This scenario, which is really not known in our country, is beginning to create a destabilizing effect in the thinking of most Panamanian citizens, to the effect that without the presence of the United States Armed Forces, the Panama Canal then would be endangered, and the Colombian guerrillas would seize our country in alliance with the international drug-traffickers.

For more than 40 years, the FARC [Colombian narco-terrorists] have transited through and have used the jungle areas of Panama as a resting-place. They have resupplied themselves without creating any unrest in the government of our country, with full knowledge of this fact by the [U.S.] Southern High Command staff; with the tolerance of the Pentagon, and without affecting developments in the country—and, of course, not affecting the good diplomatic relations with Colombia.

We Panamanian politicians know very well what the geopolitical strategy is, including in the economic sphere, which has been imposed by Great Britain as well as by backward sectors here in the United States. From the times of Jeremy Bentham, the Gulf of Urabá has been a sector for exploration and research, because of its tremendous oil wealth, mineral wealth, gems. Given the weakening of the convergent points of production and extraction of raw materials around the world, Urabá constitutes an important piece in the geo-economic and strategic spheres. The increase of British investments in Colombia, shows that there is obscure interest on the part of the British to internationalize the Colombian situation and create what we would call a “domino effect,” which would mean increased paramilitary operations in Urabá. . . .

The Torrijos-Carter treaties should be carried out, should be respected. . . .

The reason I’m in Washington today, for the second time in less than three months, is that I want to bring these war threats to your attention. They are *low-intensity warfare*,

which threatens the peace and security of the hemisphere. As far as drug-trafficking is concerned, we should carry out a uniform battle, with the latest technological advances, with the right equipment to fight this evil, which increases every day, threatening the public order. This is a fight that belongs to all of us, and it knows no borders. . . .

I believe that you, the people of the United States, have a great opportunity, not only of saving this great country, but the world as a whole from madness, like this craziness of legalizing drugs. And I would like to thank the Schiller Institute, and to tell you that the recovery program that Lyndon LaRouche has put forward as an electoral proposal—I don’t think it is only good for this country, but it is also good for our countries, to apply to our own situation, and to the reality of the situation of Latin America. And I want to thank you for this.

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Alexander Heina

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## **Croatia seeks ties with United States**

*Mr. Heina is the Economics Counsellor of the Embassy of Croatia in Washington. The following are excerpts from his speech.*

First of all, I would like to excuse Ambassador Dr. Miomir Zuzul, who was supposed to be here with you today and speak, and especially underlining the reason why he is not here: The reason is because he is today in Dubrovnik, Croatia, and he is present at the signing ceremony that Croatia, the Croatian government, has with the U.S. company Enron. . . .



Considering the circumstances in economic terms that Croatia has—I’m of course thinking about the war that happened in Croatia and what has happened in the neighboring countries—Croatia has gone further than anyone would have imagined.

We have received, in the last couple of years, very significant and good economic results. In 1993, there was one stabilization program launched, and since then, we have achieved one of the lowest inflation rates in Europe. For the

last couple of years, average inflation in Croatia was approximately 3.5%. The GDP last year was \$21.3 billion, which is \$4,663 per capita. And it is one of the highest GDP per capita in all the countries in Central and Eastern Europe countries in transition.

The annual rate of inflation, as I said, was approximately 3.5% for the last couple of years. The annual rate of industrial output in 1998 was 2.7%.

Furthermore, in the last couple of years, we have continued growth of foreign currency reserves. Then, in 1995 and 1996, negotiations with Paris and London Club were successfully completed.

In January 1997, credit rating agencies . . . gave Croatia the great rating “BBB” and “BAA3.” We have very low foreign indebtedness. For the past years, we’ll have a budget deficit—the figure for 1998—we had a budget surplus of 0.2% of GDP, which shows that even in the circumstances that Croatia were, it is possible to achieve good economic results. . . .

## U.S. investment

Since 1996, numerous American government institutions and agencies have been actively involved in Croatia for many years: the United States Trade and Development Agency, U.S. AID, and in 1997, the U.S. Department of Commerce opened a permanent regional office in Zagreb. There are more than 80 companies present in Croatia with direct investment, branches, joint ventures, license production agreements, or otherwise.

Furthermore, in 1996, the United States ranked sixth in the list of countries that invested in Croatia. As of 1997, the U.S. has led all countries in foreign investment in Croatia. In the period of 1993 till the end of 1998, the total amount of the foreign direct investments from the United States to Croatia, was more than \$1 billion, which means that now U.S. foreign investment to Croatia represents more than 48% of all foreign investment that has been made in Croatia.

I have mentioned Enron, but Enron is not the only result from that U.S. trade and business mission held in Croatia. Beside that, two years ago, there was a huge contract signed with the U.S. company Bechtel, on the construction of the 150-mile section of a highway from Zagreb to Zadar. . . .

Because that presence of Bechtel, which will construct a highway worth more than \$600 million, and tomorrow’s presence of Enron for the project worth more than \$200 million—as was mentioned before, these are not grants. They are credits that Croatia got with the assistance of the U.S. government, with the assistance of the U.S. Export-Import Bank. And because of that, we succeeded in getting very favorable credit terms.

But that money will be not only money that the big Bechtel and Enron will get, but numerous especially small and medium-sized Croatian companies, which will get the jobs, will

be partners with Bechtel, with Enron, in constructing the thermal plant, the highway in Croatia. . . .

## The Kosovo crisis

Now, finally, I would just like briefly to give some comments about the Kosovo crisis. Croatia has suffered, as has been already said, economic damages because of the NATO action in Kosovo. The gentleman [keynote speaker Paolo Raimondi] mentioned that the estimated losses are about \$2 billion. Our estimate is that it is a little bit less. Our estimate is about \$1.5 billion. We will mostly suffer the loss because of the decline of tourists this year. It will be more than a 50% decline from the revenues collected last year. Beside that, we will have some losses in food production, transportation, employment, tax revenues, and foreign investment.

But beside that, Croatia, the Croatian government supports very, very much that which NATO has done in Kosovo. We believe that the precondition, not only for Croatia, but for all other countries in the region, the precondition for economic growth, for an increase of the standard of living of the people, is to have political stability. And there was no chance that that kind of political stability could be achieved, without simply damaging the Milosevic regime’s ability, military ability, to threaten its neighbors. . . .

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## Faris Nanic

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# We need a new approach, political decisiveness

*Mr. Nanic is the Secretary General of the Democratic Action Party (SDA) of Croatia, and former Chief of Staff to Bosnian President Alija Izetbegovic. He is the co-initiator, with Helga Zepp-LaRouche, of an “Appeal for Peace through Development in the Balkans,” which is circulating internationally for signatures.*



*Due to an illness in the family, he was unable to attend the seminar as scheduled, but addressed the following remarks to the audience by telephone. The text has been edited and subheads added. His written message of greeting, which was read by moderator Debra Hania Freeman, was published in EIR on July 2, p. 79.*