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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

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January 6, 1989

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FG006-12

MEMORANDUM FOR MR. MELVYN LEVITSKY
Executive Secretary
Department of State

SUBJECT: Tropic Times Article on U.S. Policy in Panama

The NSC staff concurs with the publication of the Tropic Times Article on U.S. Policy in Panama, with the changes noted.

Paul Schott Stevens

Paul Schott Stevens
Executive Secretary

Attachment
Tab A - Tropic Times Article

KEY QUESTIONS ON U.S. POLICY

Senior administration officials

In an effort to keep our readers informed on U.S. policy during this difficult period in relations between the U.S. and Panama, Tropic Times has requested that high-ranking ~~Administration officials from the State and Defense Departments, and from the National Security Council staff~~ answer the questions uppermost in the minds of the members of the U.S. Southern Command as they carry out their mission of Canal defense. The answers which follow constitute fully authoritative statements of U.S. policy.

Q: Could you summarize current U.S. policy towards Panama?

A: U.S. policy is designed to serve U.S. ^{Democratic,} interests. The primary U.S. interest in Panama lies in a politically stable, economically prosperous society. Only in such an environment can the Canal ~~and our bases~~ function effectively ~~during the remainder of this century.~~ And only in such an environment can the foundation be established for efficient operation and defense of the Canal by Panama thereafter.

General Noriega has destabilized his own country by his repeated, heavy-handed use of the Panamanian military to intervene in the political life of the country. The consequent political instability, coupled with gross mismanagement of government finances, has created a severe economic crisis as well.

U.S. policy is to support the efforts of President Delvalle and the Panamanian people to restore a stable, democratic political environment and economic prosperity. We share their assessment that these objectives cannot be achieved so long as General Noriega continues illegally to exercise power over the political and economic life of the country.

Q: Would U.S. interests not be served by normalizing relations with the regime in power, regardless of our views as to the legitimacy or moral character of that regime?

A. No. From a purely pragmatic standpoint, truly normal relations with a Noriega-dominated regime are [not possible] impossible. Our studies show that the vast majority of Panamanians believe that Noriega must go. To appear to ally ourselves with a regime that has lost all credibility with its own people and which rules through repression and intimidation would only hinder our ability to reestablish our traditionally friendly relations with Panama once Noriega departs. Moreover, it is not possible to maintain normal relations with a regime dominated by an individual who is under indictment [in the United States] for trafficking in narcotics.

Q: What about Noriega's charges that the U.S. is seeking to impose on Panama a government headed by President Delvalle or another individual who will serve U.S. interests?

and Panamanian interests

A. What serves U.S. interests is a government that has the mandate and support of the Panamanian people. The U.S. has supported President Delvalle's efforts to resist the imposition by force of a regime lacking any semblance of popular support, and to restore democratic processes to Panama. But this is not a question of personalities. President Delvalle has made clear in his recent letter to the Group of Eight that he is prepared to resign the Presidency if that step could contribute to the restoration of democratic processes in Panama. The U.S. has made clear that it does not support any particular individual, party or faction. We are prepared to work with any Panamanian government that derives its mandate from a political process in which all Panamanians have an opportunity to participate in a climate of freedom.

Q: If our objectives include an economically prosperous Panama, why are we maintaining economic sanctions?

A: The sanctions adopted by the U.S. deprive the Noriega regime of revenue from U.S. sources. They are not aimed at the Panamanian economy generally. Our studies show that the economic crisis faced by Panama pre-dates the adoption of U.S. sanctions and is directly related to the political crisis. In essence, as investors and savers have lost confidence in the political stability of the country, they have sent their money elsewhere. Indeed, most of the shortfall in regime revenues is due to the overall decline in economic activity; the U.S. sanctions account for only a small percentage of the shortfall. Ending the sanctions would prolong Noriega's hold on power, but would not restore prosperity to Panama. Economic recovery will require a resolution of the political crisis to restore investor confidence, as well as external assistance. Both the U.S. Executive Branch and the Congress are on record as supporting a major effort to assist Panama's economic recovery once Noriega leaves and democratic processes are restored.

Q: What is U.S. policy with regard to the Canal Treaties?

A: Panama's internal political crisis has not changed our view of our Treaty obligations. We are a government of laws, and we regard the Panama Canal Treaties as the law of our land. Four successive U.S. administrations -- those headed by Presidents Johnson, Nixon, Ford and Carter -- all supported the idea of a new Canal Treaty relationship. Since the ratification of the Treaties, the Carter and Reagan administrations have faithfully implemented them. The U.S. is committed to honoring all of its obligations under the 1977 Panama Canal Treaties. An efficiently operating Canal and a non-political Canal Treaty relationship best serve both U.S. and Panamanian national interests.

Any rumors or charges to the effect that we do not intend to honor our Treaty commitments to Panama are without foundation. The U.S. is firmly committed to honoring all of its Treaty commitments to Panama.

Q: What about the May talks with General Noriega? What was the U.S. trying to do? Are any more talks in the works?

A: The May talks were an effort on the part of the U.S. to find a formula for settling issues between it and Noriega which would facilitate an authentic Panamanian solution to the internal crisis. An arrangement was arrived at; but, when General Noriega refused immediate implementation of the agreed arrangement, the U.S. withdrew everything from the table. The elements of the arrangement contemplated in May were as follows:

- o The U.S. was to suspend our International Emergency Economic Powers Act (IEEPA) sanctions.

- o Noriega was to: (1) ask the National Assembly immediately to pass legislation limiting the tenure of the PDF Commander to five years, retroactive to August 12, 1983 (This would have required Noriega's retirement no later than August 12, 1988); (2) call for the establishment of a government of national reconciliation which could establish the mechanism for fair, impartial elections in 1989 and begin the process of economic recovery; (3) commit the PDF to participate directly in national reconciliation negotiations, particularly on the key issue of the role of the Defense Forces; (4) call on the legislature to fully restore civil and political rights so as to create the atmosphere necessary to permit an authentic Panamanian solution to the question of national reconciliation; (5) call for an amnesty and pardon for all accused of political offenses, including exiles and detainees, so that they could participate in the process of national reconciliation.

- o General Noriega would describe his plans to travel abroad from the time of his retirement through the 1989 elections in Panama, and to otherwise avoid involvement in Panamanian politics.

- o The U.S. would have expected then to see, following Noriega's speech, a political process commence in which Panamanians from all parts of the political spectrum would seek to create a new government.

- o The U.S. would continue to recognize the Delvalle Government until a new, broadly based government was formed. The U.S. would then recognize the Government of National Reconciliation.

- o If the plan were fully implemented on Noriega's part, the U.S. would terminate further prosecution of the indictments upon his departure from the PDF in order to facilitate his plan to travel outside Panama through the 1989 elections.

In short, we were prepared to conclude an arrangement which dealt with Noriega's personal legal situation but which rightfully left to Panamanians the business of resolving outstanding political questions such as the composition of any new government and the role of the PDF. Ultimately General Noriega decided not to carry through with this arrangement. There have been no talks since then, and we contemplate no further negotiations.

Q: But how can the crisis be solved if the U.S. is unwilling to negotiate?

A: The U.S. did negotiate. But having failed to carry out a negotiated arrangement, Noriega has little credibility as a negotiating party. What is necessary to resolve the crisis is for him to make a serious proposal involving his prompt departure. He knows how to do this.

Q: Critics of U.S. policy here have called the U.S. approach interventionist. What reaction do you have to this?

A: Here, as elsewhere in the hemisphere, U.S. policy has been to promote human rights and the growth of democracy. ~~[We do not]~~ ^{THIS IS NOT} ~~[regard this as]~~ intervention. We have repeatedly stated that while the U.S. supports democracy in Panama, the country's internal problems are for Panamanians themselves to resolve. We are confident that our policy enjoys the support of freedom-loving Panamanians, and ~~[we will let them judge whether our policy is interventionist.]~~ We will continue to affirm our support for the right of all peoples to choose their own leaders freely and to live in harmony and without coercion.

that they view our policies AS support of a democratic outcome in PANAMA.

Q: Panama's elections are scheduled for May, 1989. In the U.S. view, will the electoral process clear the air?

A: ~~The Panamanian people need~~ ^{ONLY} an election ~~in 1989~~ that truly reflects the will of the people, from the registration process through to the counting of the last ballot. The May elections ^{will restore democracy.} pose a great challenge to the political and civic forces in Panama. Obviously, any grouping of democratic forces which seeks to restore democracy to Panama must be unified in order to have any chance of success.

The electoral playing field as viewed today is, by any measure, a lopsided one. It is difficult to conceive of elections which can truly reflect the will of the people in the absence of a free media, and in a political atmosphere where a regime exiles some of its opponents, jails others without charge, and engages in terroristic threats against still others, and uses its control of the electoral tribunal to de-register the leaders of opposition parties. Finally, it is impossible to exercise democratic rights in the absence of freedom of public assembly. One thing should be clear to General Noriega and those who support him: neither Panamanians nor the international community of democratic nations will accept the results of a crooked election as a "solution" to Panama's problems. To put it simply, the lopsided playing field we see today is going to have to be made level.

Q: Isn't the U.S. at odds with Latin America on its Panama policy?

A: Noriega has drawn his support in this hemisphere only from Cuba and Nicaragua. While Latin democracies have not taken the same diplomatic approach as we have, it is clear that freedom-loving Latin American nations are certainly no friends of Noriega. For example, the Group of Eight has suspended Panama from participation pending the restoration of genuine democratic processes. For his part, Noriega constitutes a threat to democracy not only in Panama but elsewhere in the hemisphere, as he demonstrated in his recent support for an attempted military coup in Argentina. Additionally, Noriega has turned to Libya and Qandafi for men and financial support. This marks him as the first leader in this hemisphere to openly ally himself with a declared and known terrorist.

Q: There have been media reports of divisions of opinion within the U.S. Government regarding our Panama policy. Are these true? Could you comment?

A: ~~Differences of opinion within a democratic government are not at all rare. This is true in our own system. Over the past year there have been some internal differences as we have attempted to implement our policy and apply it to an evolving situation.~~ But with regard to the overall goal of our policy in Panama there is no disagreement whatsoever -- our government is firmly united on the broad policy of promoting democracy, restoration of civilian constitutional government and the development of a professional apolitical military establishment. And our government is united in the assessment that stability, prosperity and normal relations cannot be reestablished so long as Noriega clings to power.

The President-elect has stated publically that the New administration, under his Presidency, will continue the views of the present administration. The Vice President said, "our policy will be that Noriega must go. There should be no misunderstanding about our policy."

Q: Just where does the PDF figure in the future of Panama, as the U.S. sees it?

A: The future role of the PDF in Panama is a matter which Panamanians themselves must resolve. We note that the united Panamanian opposition to Noriega has recently declared its respect for the integrity of the PDF, and in the context of national reconciliation and reconstruction, a policy of not prosecuting or otherwise taking revenge for the abuses committed by the PDF under the rule of Noriega. The U.S. supports this declaration. We see the officers and men of the PDF as victims of the abuse of their institution perpetrated by Noriega. We can only offer these observations: there are many Panamanians who are serving their country honorably in the PDF. A professional, non-political military is, in the U.S. view, the model for any democratic society. We look forward to resuming our traditional close cooperation with the PDF in carrying out our joint responsibility for Canal Defense once Noriega has departed.

Q: Where do the drug indictments of General Noriega stand now, some nine months after they were returned by the grand juries in the U.S.?

A: The indictments stand. Pretrial investigation continues. These are still pending criminal cases in our federal courts, [⊙] ~~and any substantive comment on the indictments by Administration officials would not be proper.~~

Q: The confrontation with the Noriega regime has created unprecedented tensions here. For example, we have had instances of harassment of SOUTHCOM personnel and dependents by the PDF and threats directed against both U.S. and Panamanian employees of the Canal Commission. What does overall U.S. policy mean for the men and women of the Southern Command and other USG employees?

A: The senior levels of the ^{your strength and professionalism} Executive Branch and the Congress recognize the dangers faced by U.S. personnel in Panama, and admire the sacrifices that the personnel of SOUTHCOM and Panama Canal have made to carry out their duties professionally in trying circumstances. You have demonstrated that intimidation doesn't work. The U.S. will stay constant in its determination to those who oppose intimidation, whatever its form. We each have a responsibility to conduct ourselves as model representatives of our country. Personnel assigned to SOUTHCOM have already received guidance on the risks associated with service here, and further measures are being taken to reduce the risk. The solution is to bring an end to the crisis by fully implementing U.S. policy.

SOUTHCOM'S mission of Canal defense continues without change. Of course, our relationship with the PDF is seriously off track now because of the situation with General Noriega. As the Administration has pointed out, we have worked with the PDF successfully before and we hope to work with them again in the future in a democratic Panama with a professional military.

Q: What about charges that have circulated that the U.S. has [only] turned on Noriega because he refused to help the U.S. in its efforts to aid the Nicaraguan resistance?

A: These charges are absurd. Many governments maintained views different from our own on the question of Nicaragua, and we nevertheless continue to maintain close and effective relations with them. Noriega's problems with the United States are the consequence of (a) his [alleged] involvement in drug trafficking and (b) his destabilization of his own country by [mounting a military challenge to] constitutional authority.

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abusing the

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and firing the
President of his
country.

Q: It is also said by Noriega and some others that the major aim of U.S. policy is to prolong the U.S. military presence here beyond 1999. Is this true?

A: These charges are without foundation. The Panama Canal Treaty provides for a termination of U.S. military base rights on December 31, 1999. As the Administration has repeatedly stated, we intend to honor all of our obligations under this Treaty, the Neutrality Treaty and related agreements, including our obligations with regard to withdrawing U.S. Forces.

Q: We are aware of reports that Noriega is re-equipping some of his forces with Soviet-bloc weaponry and is receiving training and other assistance from Cuba, Nicaragua and Libya. Doesn't this present a threat to the Panama Canal?

A: The U.S. has the right under the treaties [in force] to take whatever action it deems necessary to protect against threats to the Canal. [The U.S. has no intention of permitting a terrorist threat to develop in Panama.]

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

December 27, 1988

**Natl Sec Advisor
has seen**

ACTION

MEMORANDUM FOR COLIN L. POWELL

FROM: ROBERT S. PASTORINO *RPB*

SUBJECT: Tropic Times Article on U.S. Policy in Panama

I concur with the publication of the draft article at Tab A, with the changes noted.

DL Nick Rostow, *HK* Barry Kelly, *AW* Sam Watson and *Bill Jordan* Roman Popadiuk concur.

RECOMMENDATION

That you authorize Paul Stevens to sign the memorandum at Tab I.

Approve

Disapprove

Attachments

Tab I - Memorandum for Melvyn Levitsky
Tab A - Tropic Times Article

cc: Samuel Watson

Prepared by: *AMB*
Clarke M. Brintnall

8836343

United States Department of State

Washington, D.C. 20520

December 23, 1988



DECLASSIFIED
Dept. of State Guidelines, July 21, 1997
RUSA, DATE 7/30/10
db

~~CONFIDENTIAL~~

8882

MEMORANDUM FOR COLIN L. POWELL
THE WHITE HOUSE

SUBJECT: Tropic Times Article on U.S. Policy in Panama

Pursuant to the Panama Working Group discussion of December 14, attached is the text of an article entitled "Key Questions on U.S. Policy" for proposed early publication in the Tropic Times. Request comment/clearance.

Melvyn Levitsky
Executive Secretary

Attachment: as stated.

~~CONFIDENTIAL~~

DECL:OADR

KEY QUESTIONS ON U.S. POLICY

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A. No. From a purely pragmatic standpoint, truly normal relations with a Noriega-dominated regime are not possible. Our studies show that the vast majority of Panamanians believe that Noriega must go. To appear to ally ourselves with a regime that has lost all credibility with its own people and which rules through repression and intimidation would only hinder our ability to reestablish our traditionally friendly relations with Panama once Noriega departs. Moreover, it is not possible to maintain normal relations with a regime dominated by an individual who is under indictment in the United States.

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Q: But how can the crisis be solved if the U.S. is unwilling to negotiate?

A: The U.S. did negotiate. But having failed to carry out a negotiated arrangement, Noriega has little credibility as a negotiating party. What is necessary to resolve the crisis is for him to make a serious proposal involving his prompt departure. He knows how to do this.

Q: Critics of U.S. policy here have called the U.S. approach interventionist. What reaction do you have to this?

A: Here, as elsewhere in the hemisphere, U.S. policy has been to promote human rights and the growth of democracy. We do not regard this as intervention. We have repeatedly stated that while the U.S. supports democracy in Panama, the country's internal problems are for Panamanians themselves to resolve. We are confident that our policy enjoys the support of freedom-loving Panamanians, and we will let them judge whether our policy is interventionist. We will continue to affirm our support for the right of all peoples to choose their own leaders freely and to live in harmony and without coercion.

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A: The senior levels of the Executive Branch and the Congress recognize the dangers faced by U.S. personnel in Panama, and admire the sacrifices that the personnel of SOUTHCOM and Panama Canal have made to carry out their duties professionally in trying circumstances. You have demonstrated that intimidation doesn't work. The U.S. will stay constant in its determination to those who oppose intimidation, whatever its form. We each have a responsibility to conduct ourselves as model representatives of our country. Personnel assigned to SOUTHCOM have already received guidance on the risks associated with service here, and further measures are being taken to reduce the risk. The solution is to bring an end to the crisis by fully implementing U.S. policy.

SOUTHCOM'S mission of Canal defense continues without change. Of course, our relationship with the PDF is seriously off track now because of the situation with General Noriega. As the Administration has pointed out, we have worked with the PDF successfully before and we hope to work with them again in the future in a democratic Panama with a professional military.

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Q: We are aware of reports that Noriega is re-equipping some of his forces with Soviet-bloc weaponry and is receiving training and other assistance from Cuba, Nicaragua and Libya. Doesn't this present a threat to the Panama Canal?

A: The U.S. has the right under the treaties in force to take whatever action it deems necessary to protect against threats to the Canal. The U.S. has no intention of permitting a terrorist threat to develop in Panama.

**NATIONAL SECURITY COUNCIL
EXECUTIVE SECRETARIAT STAFFING DOCUMENT**

TIME STAMP

SYSTEM LOG NUMBER:

8882

ACTION OFFICER: Brintnall

DUE: 27 Dec 88

- | | |
|--|--|
| <input checked="" type="checkbox"/> Prepare Memo For <u>Powell</u> /Negroponte | <input type="checkbox"/> Prepare Memo Stevens to Peterson / Murr |
| <input type="checkbox"/> Prepare Memo For Dawson/Dolan | <input type="checkbox"/> Appropriate Action |
| <input type="checkbox"/> Prepare Memo _____ to _____ | |

CONCURRENCES/COMMENTS*

PHONE* to action officer at ext. _____

- | | | |
|------------------------------------|--|---|
| FYI | FYI | FYI |
| <input type="checkbox"/> Addis | <input type="checkbox"/> Grimes | <input type="checkbox"/> Paal |
| <input type="checkbox"/> Andricos | <input type="checkbox"/> Heiser | <input checked="" type="checkbox"/> Pastorino |
| <input type="checkbox"/> Batjer | <input type="checkbox"/> Henhoeffer | <input type="checkbox"/> Perina |
| <input type="checkbox"/> Beers | <input type="checkbox"/> Jameson | <input type="checkbox"/> Popadiuk |
| <input type="checkbox"/> Brintnall | <input checked="" type="checkbox"/> Kelly, B | <input type="checkbox"/> Porter |
| <input type="checkbox"/> Brooks | <input type="checkbox"/> Kelly, J | <input type="checkbox"/> Rodman |
| <input type="checkbox"/> Burns | <input type="checkbox"/> Kimberling | <input checked="" type="checkbox"/> Rostow |
| <input type="checkbox"/> Childress | <input type="checkbox"/> Leach | <input type="checkbox"/> Saunders |
| <input type="checkbox"/> Cobb | <input type="checkbox"/> Ledsky | <input type="checkbox"/> Snider |
| <input type="checkbox"/> Cockell | <input type="checkbox"/> Levin | <input type="checkbox"/> Tahir-Kheli |
| <input type="checkbox"/> Cohen | <input type="checkbox"/> Lewis | <input type="checkbox"/> Tice |
| <input type="checkbox"/> Curtin | <input type="checkbox"/> Linhard | <input type="checkbox"/> Tillman |
| <input type="checkbox"/> Danzansky | <input type="checkbox"/> Lowenkron | <input type="checkbox"/> Tobey |
| <input type="checkbox"/> Dekok | <input type="checkbox"/> Mahley | <input type="checkbox"/> Wiant |
| <input type="checkbox"/> Donley | <input type="checkbox"/> McCue | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Ebner | <input type="checkbox"/> Melby | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Farrar | <input type="checkbox"/> Menan | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Fortier | <input type="checkbox"/> Miskel | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Grant | <input type="checkbox"/> Onate | <input type="checkbox"/> _____ |

- INFORMATION Stevens Perito Secretariat
 Powell (advance) Negroponte (advance) Exec. Sec. Desk

COMMENTS

Logged By CJF

Return to Secretariat

ats 7/30/10

~~CONFIDENTIAL~~

RECORD ID: 8808882

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BRINTNALL
002 POWELL
002
003

Z 88122317 PREPARE MEMO FOR POWELL
Z 88122817 FOR DECISION
X 89010614 POWELL APPROVED RECOM
X 89010614 STEVENS SGD MEMO

National Security Council
The White House

CM

NOV 20

P 4: 5900 NOV 20

System #

I

Package #

8882

DOCLOG

CM A/O

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Perito	_____	_____	_____
Marybel Batjer	_____	_____	_____
Paul Stevens	7	pm	A
John Negroponte	_____	_____	_____
Colin Powell	2	W	_____
Paul Stevens	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	3	SP1/6	DN
NSC Secretariat	4	_____	D

I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Duberstein Other _____

COMMENTS Should be seen by: _____
(Date/Time)

Hold for CLP return.

NSC/S-
Two final actions:
(1) Powell Appr'd Recom
(2) Stevens Sgd Memo
DP
/6

dk
7/30/10

CONFIDENTIAL
NSC/S PROFILE

RECORD ID: 8808882
RECEIVED: 23 DEC 88 17

TO: LEVITSKY, M

FROM: STEVENS

DOC DATE: 06 JAN 89
SOURCE REF: 8836343

KEYWORDS: PANAMA

MEDIA

PERSONS:

SUBJECT: TROPIC TIMES ARTICLE RE US POLICY IN PANAMA

ACTION: STEVENS SGD MEMO DUE DATE: 27 DEC 88 STATUS: C

STAFF OFFICER: PASTORINO LOGREF:

FILES: WH NSCIF: CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO
BRINTNALL
PASTORINO
STEVENS

COMMENTS: _____

DISPATCHED BY GAD DATE 6 JAN 89 BY HAND W/ATTCH

OPENED BY: NSCTF CLOSED BY: NSGAD DOC 3 OF 3