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Shortly after the ratification of the Torrijos-Carter treaties on the Panama Canal in 1978, I visited an academic friend in the United States who follows U.S. policy on Latin America and raised with him the issue of Panama's continued military regime and the need for democratization. He responded quite candidly and bluntly: "From the point of view of U.S. political leaders, Panama's problems are solved. The fight over ratification has been costly. They won't spend more political resources on Panama." Nine years later, early this year, I raised the same issue with a high State Department official in Washington; his response was a diplomatic but forceful put-off: "Do the people of Panama really reject military rule?" In both cases, Panama's democratization was not perceived as an issue, at least not an urgent one.

Since June I have talked again to both of these persons, this time in Panama. Neither could possibly have repeated their previous remarks, nor did they. The very fact of their visits indicated changed perceptions. They were in Panama precisely because its regime and the need for democratization had exploded into a major national commotion, which the international news media could not ignore and the world community could no longer disregard.

Since early June Panama has been shaken by an unending succession of public demonstrations, both small and large, including on several occasions very effective general strikes. These demonstrations have covered the metropolitan area, especially the financial center, as well as the outskirts of the capital and the most important provincial cities, and have encompassed every major component of Panamanian civilian society.

The national unrest was triggered by the accusations of Colonel Roberto Díaz Herrera, who was retired in late May. A first cousin of the late General Omar Torrijos, he had been

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the second in command of the Panamanian Defense Forces and was considered to be the guardian of orthodox *torrijismo,* a version of national security ideology, wrapped in populism and nationalism. Díaz Herrera had not reached the rank of general nor was he able to take his turn as commander in chief, as planned by the highest members of the General Staff less than a year after General Torrijos' death in 1981.

On June 7, 1987, the independent newspaper *La Prensa* and other Panamanian media began to publish a series of startling declarations by Colonel Herrera. He accused General Manuel Antonio Noriega, the current commander in chief, of ordering the 1985 murder of Dr. Hugo Spadafora, an outspoken critic of Noriega; taking part in the purported murder of General Torrijos; fostering the electoral fraud of 1984; benefiting from large-scale corruption; and participating in the narcotics traffic.

Because Herrera was the first high-ranking officer to break the rule of silence upon dismissal and confessed his own role in both the fraud and the corruption, his declarations had tremendous impact on public opinion. They triggered an upsurge of popular protest against the rule of General Noriega. Not since the beginning of the military regime in 1968 has such a broad, intense and sustained movement of protest erupted; its aim is nothing less than a basic realignment between civilian society and the military.

On June 10 the National Civic Crusade was formed to coordinate the protest movement. Originally it comprised more than a hundred organizations: civic clubs; private enterprise associations, led by the Panama Chamber of Commerce, Industry and Agriculture and the National Council of Private Enterprise; teachers' and doctors' professional organizations; student groups and, eventually, labor groups. The Catholic Church served initially in an advisory capacity. Gradually the Crusade has developed local chapters and now represents approximately 200 organizations.

Five democratic opposition parties, while not integrated formally in the Crusade, have acted together in support of its objectives and activities: the three political parties of the Democratic Opposition Alliance, and two other parties which are in the process of obtaining legal recognition. They represent a broad spectrum of populist, Christian democratic, liberal and social democratic political persuasions. In a July 8 manifesto the five party presidents called for "the new government which our people demand, completely freed from the structures of

the militaristic regime and the legitimacy of which must be based on the known will of the majority of the people."

The National Civic Crusade has made two fundamental demands: for justice, with special insistence on the removal of General Noriega as commander in chief (so that accusations against him can be the subject of an independent judicial investigation), and for the democratization of governmental institutions. The Crusade has adopted the position that it will not negotiate with the government until General Noriega has been removed. It has insisted, even in the face of violent repression, that only peaceful methods of civil disobedience be used to fight for these objectives.

The protest movement has met with the most brutal and widespread official repression since the 1968 military takeover, including the longest and most drastic suspension of constitutional guarantees in Panamanian history, a blatant recourse to paramilitary groups, and the prolonged closing of opposition press and radio. Thousands of persons have been beaten and teargassed since June. Over 1,500 protesters have been arrested, dozens of them tortured while under official custody or in jail. Between 500 and 1,000 persons have suffered bullet or bird-shot wounds. More than ten Panamanians have been forced to leave the country since June, and at least ten have been killed.

A public opinion poll, published in early August, surveyed the metropolitan population of Panama.[1] Its findings confirm the desire of the Panamanian people to end General Noriega's regime:

—77 percent of those interviewed consider that the elections of 1984 were dishonest;

—79 percent believe that General Noriega runs the country, while only eight percent believe that President Eric Delvalle does;

—67 percent think that the Panamanian Defense Forces interfere too much in national affairs and 77 percent think that their functions should be exclusively military;

—finally, 75 percent consider that General Noriega should resign as commander in chief, while just 13 percent say that he should remain in this position.

[1] The poll was conducted by the Costa Rican affiliate of Gallup International, CID (Consultoría Interdisciplinaria en Desarrollo, S.A.).

II

The commotion of these past months did not mushroom overnight, merely as a result of Colonel Herrera's declarations. It has been at least ten years in the making. Four basic factors have generated the present impasse: the frustration of the democratization process, the emergence of a renewed version under General Noriega of military control over the country, corruption and the consequent breakdown of civic and moral values, and the ongoing economic crisis.

With the signing of the Torrijos-Carter treaties a process of democratization began in Panama. General Torrijos realized that the ratification of new treaties on the canal could not be completed without some form of national consultation, and that this consultation entailed loosening his dictatorial rule. As the negotiations came to a close, the military regime lost the overarching excuse it had used to justify itself. Moreover, the then Democratic leadership of the U.S. Senate, as well as President Carter, made it explicitly clear to General Torrijos that U.S. congressional ratification required his commitment to adopt certain measures, such as legalizing political parties, allowing the return of Panamanian exiles, abrogating laws that restricted freedom of the press and imposed severe punishment on alleged "subversives" by administrative authority.

President Carter referred to this understanding in a public statement released on September 7, 1987:

> Ten years ago today, Panama's leader, Omar Torrijos, and I signed two Panama Canal Treaties at the Organization of American States in the presence of sixteen heads of state from throughout the hemisphere. . . .
>
> On that day ten years ago, Omar Torrijos and I spoke about how our two nations could become lasting partners. He told me that could only happen if Panama were to become a democracy, and he pledged his commitment to that goal. I am sure that General Torrijos would be very disappointed by recent developments in Panama, and that he would hope, as I do, that the military would defend the nation by removing itself from politics and permitting the people to decide their own future by free elections.

Nonetheless, General Torrijos maintained a militaristic version of the Mexican political system based on the Democratic Revolutionary Party, which he founded; on a legislature of 505 representatives, the so-called popular power; and on the National Guard, the paramount institution according to the second article of the then-prevailing Constitution. Even so, until

his death, Torrijos allowed a more pluralistic environment, which permitted the democratic opposition to organize and express itself.

This process of managed democratization continued under General Torrijos' successors, particularly General Rubén Dario Paredes. After becoming National Guard commander in 1982, General Paredes made sweeping changes in high governmental positions, including the presidency, and fostered the revision of the 1972 Constitution, by way of a referendum, to include requirements for representative democracy. Unfortunately, he insisted on maintaining what he publicly called "real power" until after the presidential election scheduled for 1984, and insisted on becoming the official presidential candidate.

The *torrijista* regime began to wane after its founder's death, but a decisive realignment between civilian society and the military did not take place. The failure of this attempt at what might be called "authoritarian democratization" culminated in the electoral fraud of the 1984 elections. It has been extensively analyzed and documented in a book that became Panama's all-time best-seller, *Asi fué el Fraude* (Anatomy of a Fraud). The 1984 electoral fraud marked a resurgence of militarism, in the guise of a new strongman, Manuel Antonio Noriega.

Noriega had been chief of intelligence for more than ten years; his influence was great by virtue of the services he provided to General Torrijos. In the latter's shadow, he was shielded from public scrutiny, not to mention discussion or criticism of his activities. International publicity focused almost exclusively on Torrijos' populism and nationalism, ignoring the regime's repressiveness. There is evidence that Torrijos harbored some fears of his subordinate's power and methods, but he had come to depend on Noriega's services to maintain his own position. This ensured Noriega's long tenure, his accumulation of political, economic and military resources and influence, and thus his triumph over Díaz Herrera in the succession struggle.

On August 12, 1983, Noriega became commander in chief. Twenty-five days later he pulled the rug out from under the presidential candidacy of retired General Paredes. By early January 1984 he had chosen the official presidential candidate and orchestrated the official alliance of parties. On February 13 he substituted President Ricardo de la Espriella with President Jorge Illueca. And by May 30 his chosen candidate, Nicolás Ardito Barletta, had been proclaimed president and

the official parties had been granted a two-thirds majority in the Legislative Assembly.

The Democratic Opposition Alliance, ADO,[2] obtained a majority of some 50,000 votes, but it was unable to mobilize the country in defense of its victory. The official alliance, National Democratic Union, UNADE,[3] managed to have Ardito Barletta, a former vice president of the World Bank, declared the formal winner by 1,713 votes. But it failed to convince the nation that a democratically elected and therefore legitimate government had finally been established.

III

Instead, within nine months after his promotion to commander in chief, General Noriega appeared to be fully in charge of the country. He expanded the military's control by creating the Panamanian Defense Forces, which incorporated the National Guard, the Air Force, the Naval Force, the Canal Defense Force, the Police Force, the Traffic Department, the Department of Investigations and even the Immigration Department. With this came an increase in the number of officers, troops and military units, and the upgrading of both equipment and training for anti-terrorist and low-intensity warfare contingencies. This expansion required more physical installations, particularly in the areas adjacent to the canal, and more financial resources for the military.

There is no effective civilian supervision of the Defense Forces; the commander in chief's power is all-encompassing. To strengthen it even further, according to both General Paredes and Colonel Díaz Herrera, General Noriega has developed, parallel to the institutional line of command, a direct line of command through a group of his closest and most trusted followers, regardless of their specific rank. This group is implicated rather directly in some of the activities of which he is accused. Noriega also uses the intelligence service to keep surveillance over officers, and is said to count for his personal security on a unit trained by a former Israeli intelligence officer. According to reports, he distributes perquisites and

[2] ADO is composed of three parties: the Authentic Panamanian Party, led by Dr. Arnulfo Arias Madrid; the Christian Democratic Party; and a third party, MOLIRENA.

[3] UNADE includes the *torrijista* Democratic Revolutionary Party (PRD), the updated traditional parties—the Labor Party (PALA), the Republican Party and the Liberal Party—and two smaller parties.

funds from unbudgeted sources so as to foster dependency on himself.

General Noriega has also placed active and retired military officers at the head of civilian agencies considered to have national security significance, including Civil Aeronautics, the Port Authority, the railroad between the cities of Panama and Colón, the Bayano Development Corporation (which manages the area surrounding the Bayano hydroelectric dam), the Institute of Renewable Natural Resources, the Office of Student Affairs in the Ministry of Education, the University of Panama security guards, and the office charged with giving administrative support to Panama's representatives in the bilateral organisms created by the canal treaties, DEPAT (Executive Directorate for Treaty Affairs).

This last fact is of special importance. It points in the direction of a new concept of the role of the military regarding the canal. General Torrijos argued that the defense of the canal required only 200–300 "bilingual policemen," and the strategic "umbrella" of the United States from bases located outside Panama.[4] Moreover, he never suggested anything but civilian administration for the operation of the canal itself. General Noriega, however, has moved in the direction of a growing military establishment for the defense of the canal and even toward military operation of the canal. To predict what such administration of the canal might be like, one need only look at the administration of the country under military rule during these past years.

The next Panamanian government, to be elected in 1989, will have a serious impact on the future of the canal: in 1990 Panama will nominate the chief administrator of the Canal Commission; in 1991 the tri-nation Commission for the Study of the Alternatives for the Canal (composed of Panama, the United States and Japan) must present its conclusions, which may very well require a national referendum in order to be implemented; and through the early years of the coming decade Panama must make decisions on its gradual assumption of the administration of the canal, which is to be concluded by the end of 1999.

General Noriega repeatedly tells the younger officers and troops that he is their guarantee that they will be there to receive the canal in the year 2000, suggesting that the military

[4] Interview published by *U.S. News & World Report*, Sept. 19, 1977, pp. 20–21.

is in ultimate control of the nation's course and is the final arbiter of its political life and government.

General Noriega has not only expanded the military's role in the political sphere; he has also brought the civilian government under his control. After replacing President De la Espriella in 1984, he forced the resignation of President Ardito Barletta in 1985 when the latter favored an investigation of Dr. Hugo Spadafora's murder. While all cabinet members are careful not to thwart the commander in chief's wishes, some are more beholden to him: for example, at present, the ministers of the Presidency, of Government and Justice, of Education and of Health.

General Noriega has also managed to subordinate more or less directly to himself the judicial branch—both the Supreme Court and the Attorney General's office; the legislative branch, by making the president of the assembly and a group of legislators strictly dependent on him; and the Electoral Court. He has also imposed persons answering to him as presidents or secretaries general of the two largest official parties, PRD and PALA.

One disastrous effect of Noriega's rule has been corruption of unprecedented proportions; it has become endemic in public administration. A scandal involving a $200 million housing program, financed by the Social Security System, exploded in 1982. Five years later, despite an approximate loss of $50 million, not one of those considered responsible is in jail, and the government plans to reduce social security benefits and increase the corresponding fees. In this as in other instances, the gross abuse of resources, perquisites and commissions has produced galling contrasts between the flaunted wealth of important officials and the growing economic insecurity of the general population. Furthermore, since 1984, when Colombian narcotics chieftains sought refuge in Panama, the involvement of Panamanian authorities in the narcotics traffic has become an issue. Corruption has thus acquired an ominous, foreign character, beyond the negative aspects of domestic administrative corruption.

Some observers note that the repressiveness of the Panamanian military regime is not comparable to its South or Central American counterparts. Since the founding of the republic in 1903 Panama has been largely free from systematic violence. There are several reasons for this: Panamanian society has historically been more tolerant due to the integration of very

different peoples. Also, the military regime has followed policies of co-opting leftist groups and offering many facilities to regional guerrilla groups. Nevertheless, the current regime has been the most repressive in Panama's experience, and it is from this point of view that the great majority of the population judges and rejects it.

The regime does not shrink from using violence against its opponents. On September 13, 1985, Dr. Spadafora was decapitated after detention by agents of the Panamanian Defense Forces near the Costa Rican border. A former follower of General Torrijos, Spadafora had become a very forceful critic of General Noriega; shortly before his death, he had accused Noriega of participation in the narcotics traffic. The country was horrified by the crime as well as the cover-up, which involved the replacement of a president and the manipulation of the judicial system.

The continuation of the military regime, under a strongman who is himself the object of the gravest unanswered criminal accusations but not subject to investigation by any national authority, has systematically undermined the values of Panama as a civilized community. For the past two years the civic clubs, with the support of the Catholic Church, have conducted a campaign to regenerate civic and moral values.

The extent to which Noriega has violated national laws and values goes beyond anything Panama has previously experienced. The criminal accusations against Noriega at home and abroad have intensified the rejection of him. While General Torrijos' military rule was wrapped in populism and nationalism and his personality exercised a certain attractive power, General Noriega's personality tends to produce distrust more than anything else. Also, the accumulated level of the external debt has not permitted any costly populist measures, and the implementation of the canal treaties has left little rallying ground for nationalistic enthusiasm.

IV

The present crisis has roots in the economic policies of the Torrijos years, which had two basic aims. One was to transfer investment from domestic private enterprise to the state. This was accomplished through a systematic increase in public expenditures fueled by an unchecked external debt, which went

from $113.8 million at the end of 1968 to $3.8 billion on May 31, 1987.

The other purpose was to foster the development of the internationally oriented sectors of the economy—the Colón duty-free zone, the banking center, reinsurance activities, registry of vessels, tourism and others—in order to maintain a high level of foreign-exchange earnings, which in Panama have ranged historically from 35 to 40 percent of GNP. This was accomplished by providing an environment relatively free from regulations and taxes. The overarching objective was undisputed military control of public power, without resistance from weakened domestic private sectors and with support from favored international private interests.

The basic flaws of these politically motivated economic policies have become quite apparent. First, despite the dramatic growth in public employment, the trend since 1974 has been toward greater unemployment due to the prolonged stagnation of domestic industrial and agricultural activities. According to independent economists, in 1984 unemployment reached 19 percent of the labor force.[5] Income distribution has deteriorated accordingly: in 1983 the poorest 22 percent of the population received only 5.5 percent of the total income, whereas the top 18.6 percent received 54.5 percent.[6]

Second, the economy's capacity to generate revenues has diminished, creating severe budgetary strains. When in 1982 Latin America's external debt reached crisis proportions, it became impossible to sustain the *torrijista* model of development, which was based on a high level of public spending, financed by external borrowing, and on Panama's growth as a financial center. Since then Panama's GNP decreased for two consecutive years in 1983 and 1984. Although in 1985 and 1986 the growth rate of GNP was slightly higher than the 2.1 percent growth in population, the per capita GNP in 1986 was still below the 1982 level.

Concurrently, from 1982 until April 1987, the total assets of Panama's banking center decreased from $49 billion to $39 billion. Its share of the total foreign deposits in five important international banking centers—the Bahamas, Cayman Islands,

[5] This figure is estimated on the basis of the historical 60-percent ratio of the labor force to the working-age population.

[6] *Hacia una Economía más Humana*, Panama, 1985, pp. 26–27, 42–47.

Great Britain, Panama and the United States—diminished from 4.3 percent to 2.6 percent.[7] As a result, the Panamanian government has had to modify some economic policies to receive World Bank structural adjustment loans. It has rescheduled the commercial portion of its external debt with growing difficulty.

In the judgment of most Panamanian economic decision-makers, the so-called structural adjustments do not fit the unique characteristics of Panama's economy, which relies on the export of services for its foreign exchange earnings to a degree unequalled by any other country in Latin America. These adjustments have therefore generated widespread opposition.

At the beginning of 1987 Panama's economy found itself without new sources of growth and in a very tight fiscal situation. The population, especially the poorer and younger segments and the emerging middle classes, felt marked insecurity, and a large majority had become convinced that the government, under military control, was incapable of charting a new course of development for the nation. Thus economic pressures have converged with the political upheaval, with the government as the target of both.

The principal sectors of the economy have played a decisive role in the protest movement. The new generation of leaders of private enterprise organizations has been in the forefront of the demonstrations and the strikes. The banking area of Panama City has been the scene of major demonstrations and the ensuing repression, with the nearly 6,000 banking employees and executives from the more than 120 banks playing an important part. The labor rank and file has also responded to the Crusade, even though the leadership of most unions has remained under military influence.

Panama's economy is the most open in Latin America. The U.S. dollar is used as currency and two-thirds of GNP are generated by services, while three-fourths of foreign exchange earnings come from exporting services. Consequently, domestic and foreign confidence in the country's stability is of paramount importance to the economy. What has happened since June of this year is a radical loss of precisely such confidence.

[7]"Impacto de la Crisis en el Centro Bancario" by Ing. Luis H. Moreno, in *Impacto de la Crisis Actual en la Economía Nacional*, Panama: National Council of Private Enterprise, Panama, Aug. 11, 1987.

This loss has been exacerbated by the official reactions to the protest movement: on the one hand, brutal, widespread repression (particularly to the extent that it has been directed at many economic decision-makers, their families and their employees); on the other hand, the growing prominence of the more radical, Marxist-oriented elements among the government supporters both as spokesmen on socioeconomic issues and foreign policy and as participants in paramilitary groups.

The first result of this crisis of confidence has been the drainage from banks in Panama of up to 15 percent of their total deposits, greatly reducing banking credit. Construction activity, Colón Free Zone commerce, industrial production for the domestic market, agricultural production of some basic grains, and tourism have all felt the paralyzing effects of the commotion and the credit crunch. Unemployment has begun to rise, and the August CID-Gallup poll reported that 75 percent of the interviewees felt their living conditions have deteriorated since 1986, and 64 percent expect an even worse immediate future.

The government's fiscal situation has also seriously deteriorated: no stand-by agreement with the International Monetary Fund since last December; noncompliance with some of the provisions of the current structural adjustment loan agreement with the World Bank; a growing deficit in an already unbalanced budget, and a dim outlook for servicing the external debt and refinancing the portions due this year and in the coming two years.

One of Panama's leading economists, Dr. Guillermo Chapman, has predicted that as matters now stand Panama's GNP will decrease in the second half of 1987 at an approximate rate of seven percent, the most severe contraction of the Panamanian economy since the end of World War II. He added that the country will face a higher level of unemployment, concentrated mainly among younger people with a relatively high level of education. He concluded that "from the point of view of economic development, the 1980s are a lost decade for Panama." The only solution to the economic crisis, in his view, is "an integral political solution," namely "a truly democratic regime."[8]

For the first time since the beginning of military rule in

[8]"Impacto de la Crisis en la Economía Nacional" in *Impacto de la Crisis Actual en la Economía Nacional, ibid.*

1968, the leading actors of Panama's private sector economy are vitally interested in a change of regime in favor of democratization.

V

As in the case of the Philippines and Haiti, the foreign media have reported Panama's commotion to the international community, and in substantially accurate terms: the Panamanian people versus General Noriega's regime. The impact on foreign political leaders and governments has not been negligible, and it accounts for a significant change in attitudes.

Because of the special historical relationship between Panama and the United States due to the canal, this change has been especially important in the United States. Over the years the U.S. government provided great support to Panama's military regime. Even while pursuing elsewhere a policy in support of democratization, its policy toward Panama has been one of tolerance, if not complicity. The U.S. Agency for International Development provided assistance to the government of Panama at the highest per capita level of any Latin American country in the high middle income category.

Above and beyond canal treaty provisions, the United States organized, within the past four years, the largest joint military operations in Panama's history. A corresponding by-product has been additional financing for the Defense Forces' so-called civic action programs, in direct competition with the civilian government's capacity to respond to the needs of the population. Moreover, the overlap between the intelligence services of both governments reached the point where, according to public statements by William Jordan, former U.S. ambassador to Panama during the period of the treaty negotiations, General Noriega had worked for the CIA, from 1966 onwards.

The underlying rationale for such support has been clear. For the U.S. government—as represented in Panama by its embassy, its Southern Command, its CIA and national security agents, its Drug Enforcement Administration personnel and so on, with their respective and sometimes competing views—the top priority in Panama has been the security of the canal and, as a condition of the same, the stability of Panama's regime. The United States has considered the Panamanian Defense Forces as the most important factor for Panama's stability and thus the domestic agent which could most affect the canal's security. It has sought, therefore, to have a close, positive

relationship with the military leadership, regardless of other considerations. Human rights and democratization have been at best a secondary priority of U.S. policy toward Panama, competing for such a position with the protection of U.S. private investments in the country, which are the third largest in Latin America, after those in Mexico and Brazil.

Yet since the end of 1985 some change in U.S. policy has been perceptible. The replacement of President Ardito Barletta, in September of that year as part of the cover-up of Dr. Spadafora's murder, was considered a direct affront to U.S. policy. The U.S. government had been willing to forgo democratic substance in Panama, but demanded at least the semblance of civilian rule in order to maintain some degree of coherence in its regional Central American policy.

Doubts began to surface among U.S. policymakers, but no alternative course was adopted. When a new ambassador, Arthur Davis, was appointed in 1986, he expressed explicit concern over the repressive and corrupt aspects of the military regime at his Senate confirmation hearings. Some months later, in an October 23 speech in Panama, Ambassador Davis clearly related the future of the canal to democratization: "Fully functioning democratic institutions in Panama are the best guarantee to Americans and Panamanians alike for success in the turnover of the canal to Panama."

The case of Panama as one of the few remaining exceptions to Latin American democratization began to catch the attention both of important members of Congress and of the U.S. media. Closed hearings on General Noriega's ties to the narcotics traffic and to Spadafora's decapitation were held by a subcommittee of the Senate Foreign Relations Committee. In June 1986 *The New York Times* published two exposés on the accusations against him, including reference to his role as a double agent for the CIA and Fidel Castro.

The unrest in Panama since June finally seems to have led to a new U.S. policy direction. Two bipartisan Senate resolutions have demanded the cutoff of all aid, even the sugar quota, unless the government of Panama takes measures similar to those demanded by the National Civic Crusade. On June 30 Assistant Secretary of State for Inter-American Affairs Elliott Abrams acknowledged that in Panama "the foremost public issue today is quite simply democracy," and placed Panama in the same category as Chile, Haiti, Paraguay and Suriname, countries "where the transition to democracy is in trouble or

in doubt." He also said: "the old complacency inside and outside Panama over the inevitable dominance of the Panamanian Defense Forces in the nation's politics is gone."

U.S. agencies interested in Panama now seem agreed on the following points: that without effective democratization Panama's stability and, consequently, the canal's security cannot be assured; that the evolution of the Defense Forces toward a professional, nonpolitical organization is required for democratization; and that General Noriega's role as commander in chief is a major obstacle to this evolution and a primary source of the country's turmoil.

To the extent that such agreement exists, official U.S. views on Panama now coincide with the demands of the overwhelming majority of Panamanians for justice and democracy.

VI

Besides repression in its various forms, the regime's response to the Civic Crusade, the economy's performance and the changing international context has been intransigence. Official propaganda has repeatedly shown General Noriega on television surrounded by younger officers clapping while they shouted defiantly: "*Ni un paso atrás*!" ("Not one step backward!") The regime's civilian followers in government and the official political parties have been either inactive, in a state of confusion or at odds with each other. Their efforts at counteraction in the streets, in the legislature and through the media have been irregular and quite unsuccessful in gaining support.

General Noriega has attempted to present the Civic Crusade in terms of class struggle and even in terms of race struggle, as a fight of the white middle and upper classes versus the black lower classes. This portrayal was so contrary to the experience of participants and observers and so contrary to the grain of Panama's mixed and pluralistic society that it generated a strong backlash. Even though it received some international attention, it was abandoned as the movement developed.

Longer lasting has been the regime's attempt to counter the protest movement with nationalistic anti-Americanism. It says the movement was created by a conspiracy of U.S. rightist circles and reactionary Panamanian traitors to destabilize General Noriega's regime. The alleged conspirators' motives are supposedly to avoid the transfer of the canal administration to Panama in 1999 and to neutralize Panama's support of Central American peace efforts as a member of Contadora.

While this portrayal has only been fully accepted internationally by the more leftist governments and currents of opinion, it has had some impact in Latin America. It has contributed to the reticence of Latin American political leaders and organizations to address the issue of Panama's commotion. It has also helped the Panamanian government to obtain some support in international organizations.

But Panamanian public opinion has been completely unreceptive to such an explanation, even though 45 percent of those interviewed in the poll mentioned earlier have doubts that the United States will comply with the Torrijos-Carter treaties. University and high school students, who number about 200,000 and tend to be intensely nationalistic, have not once demonstrated in favor of General Noriega; they have repeatedly demonstrated against him.

Among the reasons for the domestic failure of this government tactic are awareness of General Noriega's past record; U.S. reaffirmation by bipartisan spokesmen of its commitment to comply with the canal treaties; and the declaration by the presidents of the five democratic opposition parties of Panama that, for them, "the full nationalization of the canal is irreversible and demands the real preparation of the Panamanian state to assume integral responsibility for its administration and the effective neutrality of the passageway."

General Noriega has sought to reaffirm his control over the Defense Forces. Through meetings and seminars he barrages officers and troops with indoctrinating messages along two lines: the demand for his removal is tantamount to a demand for dismantling the military institution itself; and only the Defense Forces, as they presently function, can assure full and effective sovereignty over the canal, for which purpose they need to exercise control over the country's political life.

But the very efforts displayed by General Noriega to strengthen his control over the Defense Forces reveal that he senses danger from within. For the first time, a commander in chief has faced open challenges from recently retired high officers—first from Colonel Díaz Herrera, then from his predecessor, General Paredes, who has also called for his ouster. There are indications that current members of the General Staff have expressed serious concern at the turn of events. Some officers who are perceived as more professional than political have been charged, beyond their specific functions, with responsibility for repression, as if to implicate them.

Others have been suddenly sent outside the country on prolonged missions. Close relatives of some in the military have taken part in activities of the Civic Crusade, and the families of the military are often exposed to the pressures generated by the protest movement.

Such indications point to the eventuality that some within the Panamanian Defense Forces will act, as other military have acted in the rest of Latin America, to produce changes within their institution and thus make democratization possible without widespread violence. Meanwhile, however, the Defense Forces under Noriega serve as a dam, containing the waters of discontent while they rise higher and higher.

VII

Given their accumulation over ten years, the three basic conditions which now challenge General Noriega's rule—namely, the civic movement for democratization, the vital economic interest in political change and the new critical attitudes in the international community, particularly in the United States—will not cease. On the contrary, their interaction multiplies the pressures.

If the intransigence of the Defense Forces continues, the prognosis is one of national disaster. Whether such a disaster will produce violence of the sort that has existed in some Central American countries is uncertain, given that Panama has been historically a nonconfrontational society. Civilian opposition has been neither led nor supported by Marxist-Leninist groups, with their known willingness and capacity for organized insurrectional endeavors. For these reasons such a development seems precluded, at least in the short run. But intense turmoil will continue, accompanied by more violent incidents, as has already been seen.

As national disaster becomes a reality rather than a predictable eventuality, the regime is becoming more intransigent and escalating its repression of the protest movement. If President Delvalle remains willing to provide token civilian cover, General Noriega will be able to maintain the pretense of constitutionality. If not, another coup d'état could occur, forcing Delvalle out, as happened with his two predecessors.

Could the regime, under General Noriega, revive the strategy of authoritarian democratization, preempting to some extent the demands of the civic movement? The movement's long gestation argues against such a possibility: Panama today is

where it is precisely because General Noriega and what he represents cannot brook progress toward real democracy. The widespread distrust of the regime's key figures also precludes this possibility. General Noriega has said that he will retire after the "free" elections of 1989, but it is generally understood that if he manages to stay until then, he can remain for as long as he wants or retire to run the country through a commander in chief and a president of his own choosing.

Some U.S. observers imagine that President Delvalle could replace General Noriega and thus gain legitimate authority to lead Panama to democratic elections in 1989. This scenario overlooks the fundamental fact that Delvalle does not have the power to replace Noriega.

National disaster is not inevitable. The more professional military, especially those who do not consider themselves part of the activities of which General Noriega is accused, could move the Defense Forces toward changing their command and agreeing to a role compatible with civilian democracy. Some of these officers have studied recently in countries which have democratized successfully and may understand what a similar process can mean for the country and for themselves.

Certain conditions would favor such a positive turn of events. The present interaction among the Civic Crusade, the economic forces and the new international attitudes should be maintained; without these pressures, no transformation will take place. It is also important that a viable democratic alternative be proposed to the whole country and to the actors who have an important part in its future. An alternative has been proposed by the Christian Democratic Party, within the parameters agreed upon by the opposition democratic parties in their July manifesto. It encompasses three basic suggestions:

First, a call to the Panamanian Defense Forces to proceed to an institutional change in their command and take part in a joint civilian-military effort to design a new professional and constitutional role for their institution. This could include the creation of a Ministry of National Defense and Public Order to serve as the institutional link between the military and the president as head of state and supreme chief of the Defense Forces.

Second, the establishment of a three-member civilian junta to assure the rapid, peaceful transition toward a fully democratic government by way of general elections to be held, at the latest, within 18 months. Such a junta would integrate, in

a spirit of national reconciliation, the three basic and diverse components of present-day Panama: the democratic opposition parties which won the 1984 elections and whose foremost leader is Dr. Arnulfo Arias Madrid; the Civic Crusade, which has been coordinating the main civic, professional and economic organizations of the country; and those in the present regime who accept the need for authentic democratization.

Third, once the commitment has been made to proceed with the institutional change in the military command, representatives of the aforementioned components of public life would draw up the specifics of the transitional government and its immediate tasks, which include reconstituting the key state offices, facing the socioeconomic and fiscal paralysis and preparing the country for orderly, democratic elections.

VIII

The people of Panama are living in great anxiety, but also with great hopes. The current attempt at participatory, peaceful democratization has convinced us that there is a Panamanian national will to create a democratic, just and sovereign society. Our efforts have brought a new understanding and some sympathy on the part of the international community. We hope to succeed in the only possible way, that is, under our own initiative. But we also hope that we can count, at long last, on the solidarity of democratic peoples and governments.

What we expect first is that the international community recognize General Noriega's regime for what it is: an antidemocratic, repressive and corrupt regime, which frustrates the Panamanian people's right to self-determination and which violates fundamental human and civil rights. The Civic Crusade should be recognized as expressing the wishes of the vast majority of the Panamanian people for a change in regime. Those who recognize these facts should act accordingly, withdrawing all forms of support from the present regime while respecting any binding treaty provisions, specifically those affecting Panama's sovereignty over the Panama Canal.

The people of Panama seek some additional commitments from the United States. The United States should give some concrete assurances of its determination to work with a democratic Panama, on the basis of mutual respect for the national interests of each, regardless of the differences in power. Specific commitments need to be made now, to be fulfilled once democracy has been effectively established in Panama. Most

helpful would be an agreement to revise Law 96-70, which regulates implementation of the Torrijos-Carter treaties and which has imposed restrictive and even unfair conditions.

The second commitment would be to undertake the widening of the canal's Culebra Cut, which presently limits the canal's usefulness. The revenues received roughly balance the operating costs; these cannot be substantially altered. Thus the Canal Commission is unable by itself to assume financial responsibility for such an undertaking. Widening this part of the canal would be beneficial to all who use it, including the United States, and would also help reactivate Panama's economy.

From the peoples and governments of Latin America, Panamanians have some special expectations. Those who have enjoyed democracy for some years—and those who have recently recovered it—should not forget that they demanded and obtained international solidarity in their efforts to establish democracy and to consolidate it. Reasons of state or unwillingness to parallel U.S. policy do not excuse reticence or indifference when human rights and democracy are at stake.

Also, now that the Esquipulas II agreement among the Central American governments offers, for the first time, some hope for joint democratization and peace in that region, the democratic members of the Contadora Group and its Support Group should make it clear that the government of Panama cannot participate in the International Verification Commission meant to supervise compliance with the agreement's provisions while it violates these provisions with regard to its own people. The Latin American democracies need to strengthen the authority of Contadora, both to help make Esquipulas II work and to establish a positive precedent of a Latin American solution to a Latin American problem. Overlooking the contradiction which the Panamanian government represents weakens Contadora's authority at this crucial moment for the region and renders Latin America less responsible for itself.

We do not want others to do our job for us. We are doing it, and as Panamanians we are proud of that. But we do expect others to show solidarity. We need it and are not ashamed to say so, because no people is an island.