



*High-rise condominiums and office buildings in Panama City
Courtesy Inter-American Development Bank*

with 49 percent. In the 1970s, ore reserves at Cerro Colorado were estimated at nearly 1.4 billion tons (0.78 copper content). In the late 1970s, the cost of developing the mines was estimated at US\$1.5 billion, nearly equal to total GDP at that time. Commercial exploitation was postponed because of low copper prices on the world market but could be undertaken if copper prices rose substantially.

Construction

Construction boomed in the 1970s as a result of government spending on infrastructure and housing. In the early 1980s, with the building of the trans-isthmian oil pipeline and the Edwin Fábrega Dam and associated hydroelectric plant, construction continued to grow, from US\$124.3 million in 1980 to US\$154.7 million in 1982. Construction fell dramatically in 1983 to US\$106.4 million, when the government cut expenditures, and continued to decline in 1984 (US\$94.4 million) and 1985 (US\$93.4 million). In 1986 the decline was finally reversed, as the sector registered 5-percent growth, generated primarily by private residential building. Thus, the structural adjustment program of 1983 and 1984 achieved its goal of shifting construction activity from the public to the private sector. Nonetheless, the state continued to play a significant role in construction. The government planned to build 2,500 houses and service facilities for low-income families in Panama

City. The construction sector benefited from liberal tax incentives, which included preferential interest rates on mortgages and exemption from capital gains tax on sales of urban real estate through 1988. In the immediate aftermath of the political turmoil of mid-1987, the rate of construction lowered dramatically as credit available to the private sector declined.

Energy

Energy is generally considered a part of industry, to the extent that it is an intermediate input in the production process. In Panama, however, the largest shares of energy are sold to the consumer and to commerce. Therefore, a significant portion of energy used in Panama should be considered a part of the services sector; for the sake of this analysis, however, energy is placed under industry, following conventional practice.

Panama's energy production has increased substantially, from an average annual growth rate of 6.9 percent between 1965 and 1980 to 11.1 percent between 1980 and 1985. The expansion of hydroelectric generating capability has been responsible for most of the growth. Per capita energy consumption has increased, from 576 kilograms of oil equivalent in 1965 to 634 kilograms in 1985. This figure is higher than that of Nicaragua (259 kilograms) and Costa Rica (534 kilograms) but lower than that of Colombia (755 kilograms) and Mexico (1,290 kilograms).

Panama depended on petroleum for 80 percent of its domestic energy needs in the late 1980s. Petroleum exploration has been underway since 1920, but without success; as a result, the country is dependent on imported petroleum. Saudi Arabia and Venezuela were the primary suppliers until 1981, when Mexico replaced Saudi Arabia and joined Venezuela in the San José Agreement of 1980, under which the two countries supply oil to Caribbean Basin countries on concessionary terms. Panama nearly halved its imports of oil between 1977 (20.5 million barrels) and 1983 (11.8 million barrels) in response to rising oil prices. Oil imports have declined as a share of the total value of imports, from 33 percent in 1977 to 19 percent in 1985; in the latter year, the value of oil imports was US\$19.2 million.

The country's only oil refinery, near Colón, has a capacity of 100,000 barrels per day. Since 1976 it has been operating far below capacity, because greater use has been made of hydroelectricity. Refinery products supplied the domestic fuel for thermal power plants, most of the transportation system, and other minor uses. In 1977 about 64 percent of the imported crude was reexported after refining, mostly to ships' bunkers; by 1983 that figure had

fallen to 35 percent. The government has approved the construction of a second refinery, also near Colón, with a capacity of 75,000 barrels per day.

Hydroelectricity accounted for 10 percent of energy consumption and was the country's main domestic energy resource in the late 1980s. Panama has been substituting hydroelectric power generation for petroleum-based thermal generation since the late 1970s. By 1980 some 30 sites had been identified on the country's numerous rivers, which, if developed, could generate 1,900 megawatts of power. The capacity for generating electricity was 300 megawatts in 1979; in 1984 it had increased to 980 megawatts, of which 650 megawatts was hydroelectric and 330 megawatts was thermal. The increase was due in large measure to the Edwin Fábrega Dam, on the Río Chiriquí, which began operation in 1984 with a generating capacity of 300 megawatts.

In 1985 the Institute of Hydraulic Resources and Electrification, responsible for power generation and distribution, initiated a five-year program to expand Panama's electrical generating capacity. At the time, there were 275,429 electricity consumers. A major goal of the program was to increase the distribution of electricity to an additional 12,000 people in rural areas.

Other energy sources, such as bagasse, charcoal, and wood, accounted for the remainder of energy demand. Firewood supplied half of the country's energy requirements as late as the 1950s but declined rapidly thereafter, partly because of the deforestation it engendered. Bagasse was used as fuel at sugar mills. Coal reserves were discovered in the Bocas del Toro region in the 1970s, near the border with Costa Rica. If commercially exploitable, the coal in the region could be used for generating electricity. In August 1985, the government announced plans to explore the reserves, with funding from the United States Agency for International Development and the United States Geological Survey.

Foreign Economic Relations

In the 1980s, Panama has struggled to adjust to the constraints imposed on its economy by a high external debt. To compensate for a deficit in the capital account, its current account has registered a surplus since 1983, because the services sector has maintained a surplus. Debt has remained high in per capita terms, but the actual debt burden has fallen.

Trade

The value of Panama's merchandise exports has always lagged behind imports. The level of imports relative to the size of the

economy has remained large. Panama's consumption standards have been high for a developing country. In the early 1900s, nearly everything consumed in the metropolitan areas was imported because little agricultural surplus and virtually no manufacturing existed. By the mid-1980s, the country was largely self-sufficient in foods except for wheat, temperate-zone fruits and vegetables, and oils and fats. Domestic manufacturing provided a growing share of consumer goods, but the country still imported a wide range of commodities.

With the decline of commodity prices on world markets in the 1980s, the terms of trade (see Glossary) have steadily moved against Panama. Based on a terms of trade index of 100 in 1980, Panama's index stood at 82 in 1985, meaning that it had to export considerably more in order to import the same value of goods it had previously imported.

Panama controlled trade by issuing import and export licenses. Since 1983 tariffs have gradually replaced quantitative restrictions on imports. Taxes were levied on some imports, and incentives were given to nontraditional exports through tax credit certificates.

In 1985 merchandise exports totalled US\$414.50 million (excluding reexports from the CFZ), down from US\$526.10 million in 1980 (see table 16, Appendix A). Refined petroleum topped the list of export items, at US\$100.60 million, but its net contribution to the trade balance was much smaller, given that Panama's crude oil is imported. Bananas, traditionally the largest export item, accounted for US\$78.1 million in exports, followed by shrimp (US\$53.4 million), manufactured goods (US\$45 million), sugar (US\$33.3 million), coffee (US\$15.6 million), and clothing (US\$11.5 million).

About 75 percent of Panama's exports went to industrial countries; Latin America received the other 25 percent. The United States was by far the largest single market, and in 1985 received 60.5 percent of Panama's exports. Most of the remaining exports went to Costa Rica (7.5 percent), the Federal Republic of Germany (West Germany) (5.5 percent), Belgium (4.9 percent), and Italy (4.5 percent). The CBI was expected to increase Panama's exports to the United States. The CBI seeks to provide long-term trade, aid, and investment incentives to promote the economic revitalization of the Caribbean Basin. The most significant incentive is twelve-year, duty-free access of most goods to the United States market. Some omitted goods were footwear, textiles, leather and general apparel, canned tuna, petroleum and petroleum products, rubber and plastic gloves, luggage, and handbags. In addition, special rules limited the eligibility of sugar for duty-free treatment. Twenty countries, including Panama, were granted this access in

January 1984. In 1987 judging the long-term CBI benefits for Panama was premature. Critics charged that few new trade benefits would accrue from the CBI beyond those under the Generalized System of Preferences, which already accommodated 87 percent of Caribbean Basin exports to the United States. In the initial years of CBI implementation, the share of Panama's exports going to the United States remained unchanged.

In 1985 Panama's merchandise imports amounted to US\$1.34 billion, or about 30 percent of GDP. In that year, manufactured goods were the largest import item (US\$348.6 million), followed by crude oil (US\$271.8 million), machinery and transport equipment (US\$266.7 million), chemicals (US\$158.0 million), and food products (US\$142.6 million). Crude oil has traditionally been the largest import item, but in the 1980s its share of imports fell as petroleum prices declined and hydroelectric energy capacity increased.

About one-third of Panama's imports came from the United States, another third from other industrial countries, and one-third from Latin America. In 1985 Panama's imports came from the United States (30.8 percent), Japan (8.9 percent), Mexico (8.2 percent), Venezuela (6.8 percent), and Ecuador (7.2 percent). Mexico and Venezuela supplied 70 percent of Panama's crude oil under the San José Agreement.

Balance of Payments

Because of its domestic use of the United States dollar, Panama had no short-term transfer problem and no foreign exchange constraint. Capital flows and changes in the banking system's foreign assets were less dependent on the current account than was the case in other countries; these items responded mostly to the government's fiscal situation and to conditions affecting international banking.

Panama's balance of payments has always been characterized by a large negative imbalance in its merchandise trade. In the 1970s, this imbalance grew almost uninterruptedly, to a large degree because of rising international prices for crude oil. In the 1980s, the merchandise trade balance continued to be negative; in 1985 merchandise imports exceeded exports by US\$904 million (see table 17, Appendix A).

Panama's current account balance has been negative since the 1970s because of large deficits in merchandise trade. In 1982 the current account balance registered a negative US\$405.4 million, and the merchandise trade deficit was US\$973.8 million. Since 1983, Panama has had to adjust to its heavy external obligations, and the current account, though still negative, improved to a

negative US\$172.6 million in 1985. The current account has benefited from the large surpluses in services (US\$1.02 billion in 1985), which have nearly compensated for the deficits in merchandise trade. Transportation contributed the largest share to the services surplus—US\$384 million in 1985. Other sources of services income included official transactions in the canal area, banking, insurance, and shipping. One of the largest drains on the current account was interest payments on the foreign debt.

In 1985 Panama experienced a net capital inflow of US\$32.2 million and negative errors and omissions of US\$136 million. The foreign reserves in the banking system declined by US\$134.7 million. Direct foreign investment in Panama fluctuated in the early 1980s; in 1985 it totalled US\$68 million. Panama was open to foreign investment, although it restricted activities in retailing, broadcasting, and mining.

External Debt

One of the major legacies of the Torrijos government was a large external debt. In the 1970s, the government relied increasingly on loans, essentially from abroad, to finance capital investments. The external public debt increased from US\$150 million at the beginning of 1970 to US\$774 million at the end of 1975. External factors, such as the rise in oil prices, were partly to blame for the larger debt. By the end of 1978, Panama's external debt was nearly US\$1.9 billion, about 80 percent of GDP—one of the highest ratios in the world.

In 1985 the external debt reached US\$3.6 billion, or 73.5 percent of GDP, which on a per capita basis (US\$1,636) was one of the largest in the world (see table 18, Appendix A). Most of the debt (US\$3.27 billion) was long-term in its maturity structure; US\$2.13 billion was owed to private creditors and US\$1.14 billion to official creditors (US\$741 million to multilateral agencies and US\$403 million to bilateral sources).

Despite the high level of debt, the debt burden, as measured by the ratio of total interest to GDP, fell from 8.0 percent in 1982 to 6.6 percent in 1985. Several factors helped Panama lower its debt burden. These included the drop in world oil prices and the decline in the average interest rate from a high of 11.4 percent in 1982 to 8.5 percent in 1985. In 1983 the government implemented an economic adjustment program, which, from 1982 to 1985, slowed the annual rate of foreign debt accumulation from 16.4 percent to 6.7 percent and cut the private creditors' share of long-term debt from 72 percent to 65 percent.

Panama has rescheduled its loans from international bank creditors in 1983, 1985, and 1987. In September 1985, the Paris Club (a financial consortium of Western financiers and governments) also agreed to restructure US\$19 million in principal repayments. An estimated US\$1.2 billion was due between 1987 and 1990. Although the debt was still high in per capita terms, the lowered debt burden enhanced the country's chances of successfully rescheduling its loans.

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The World Bank's *Panama: Structural Change and Growth Prospects* is an in-depth analysis of Panama's economy, with an emphasis on policy formulation. For comparative studies, see John Weeks's *The Economies of Central America* and issues of the Economist Intelligence Unit's *Country Profile: Nicaragua, Costa Rica, and Panama*. For annual updates of economic activity in Panama, see the Inter-American Development Bank's *Economic and Social Progress in Latin America*, the International Monetary Fund's *Balance of Payments Statistics Yearbooks*, and the World Bank's *World Development Reports*. (For further information and complete citations, see Bibliography.)

Chapter 4. Government and Politics



Cuna Indian mola design of a winged figure

IN LATE 1987, PANAMA'S political system was unable to respond to the problems confronting the nation. Protests over the role in the government played by the Panama Defense Forces (Fuerzas de Defensa de Panamá—FDP) and their commander, General Manuel Antonio Noriega Moreno, had produced economic disruption and the appearance of political instability and had contributed to serious strains in relations with the United States. With no immediate resolution of the conflict likely, Panama appeared to be in its most severe political crisis since the 1968 coup, which had made the military the dominant political force in the nation.

The October 1968 coup marked the third time that the military had ousted Arnulfo Arias Madrid from the presidency of Panama. It differed from previous coups, however, in that it installed a military regime that promoted a mixture of populist and nationalist policies, while at the same time assiduously courting international business. Led, until his death in 1981, by the charismatic General Omar Torrijos Herrera, the military used limited but effective repression to prevent civilian opposition groups from returning to power. Torrijos also created the Democratic Revolutionary Party (Partido Revolucionario Democrático—PRD), which became the official ruling party.

The death of Torrijos, in an airplane crash on July 31, 1981, precipitated a prolonged struggle for power. In a little more than four years Panama had three FDP commanders and five civilian presidents. At the same time, both domestic and international pressures for a return to civilian rule increased steadily. Constitutional revisions in 1983, followed by presidential and legislative elections in 1984, were supposed to promote this process. The elections, however, were tainted by widespread allegations of fraud. Whatever credibility the newly installed civilian government had was undermined further in September 1985, when President Nicolás Ardito Barletta Vallarino was forced out of office by General Noriega and the FDP. In the following two years, political tensions continued to increase, fueled by negative publicity abroad, by the murder of a prominent opposition political figure, Dr. Hugo Spadafora, by the open break between General Noriega and his most prominent rival within the military, Colonel Roberto Díaz Herrera, and by serious economic problems, notably a major international debt burden and major capital flight.

The era of military rule had not been without its positive accomplishments. Most notable was the successful negotiation of the 1977 Panama Canal treaties with the United States. These treaties, which went into effect on October 1, 1979, ended the separate territorial status of the Panama Canal Zone and provided for Panama's full control over all canal operations at the end of the century. Under the military, Panama also had emerged as a major international banking center, had become a more prominent actor in world affairs, exemplified by its position as one of the original "Core Four" mediators (along with Mexico, Venezuela, and Colombia) in the Contadora negotiating process seeking to mediate the conflicts in Central America, and had implemented numerous social reforms, raising the standard of living for many of its citizens. In late 1987, however, many of these accomplishments appeared jeopardized by the continuing crisis in civil-military relations and the inability of the Panamanian government to maintain a peaceful evolution toward a more open, democratic political system.

The Constitutional Framework

In 1987 Panama was governed under the Constitution of 1972 as amended by the Reform Acts of 1978 and the Constitutional Act of 1983. This was Panama's fourth constitution, previous constitutions having been adopted in 1904, 1941, and 1946. The differences among these constitutions have been matters of emphasis and have reflected the political circumstances existing at the time of their formulation.

The 1904 constitution, in Article 136, gave the United States the right to "intervene in any part of Panama, to reestablish public peace and constitutional order." Reflecting provisions of the Hay-Bunau-Varilla Treaty, this confirmed Panama's status as a *de facto* protectorate of the United States (see *The United States Protectorate*, ch. 1). Article 136, along with other provisions of the Hay-Bunau-Varilla Treaty, such as that giving the United States the right to add additional territory to the Canal Zone whenever it believed this was necessary for defensive purposes, rankled Panamanian nationalists for more than three decades.

In 1939 the United States abrogated its right of intervention in internal Panamanian affairs with the ratification of the Hull-Alfaro Treaty. The 1941 constitution, enacted during Arnulfo Arias's first, brief presidential term, not only ended Panama's constitutionally mandated protectorate status, but also reflected the president's peculiar political views (see *The War Years*, ch. 1). Power was concentrated in the hands of the president, whose term, along with that of members of the legislature, was extended from four to six

years. Citizenship requirements were added that discriminated against the nation's English-speaking black community and other non-Hispanic minorities (see *Ethnic Groups*, ch. 2).

In October 1941, President Arias was deposed by the National Police (the predecessor of the National Guard and FDP), and the presidency was assumed by Ricardo Adolfo de la Guardia. In 1946 President de la Guardia promulgated a new constitution, which was basically a return to the 1904 document without the offensive Article 136. The 1946 constitution lasted for twenty-six years. Following the 1968 military coup, eleven constitutional guarantees, including freedom of speech, press, and travel, were suspended for several months, and some were not restored fully until after the adoption of the 1972 Constitution. The 1972 Constitution was promulgated by General Torrijos and reflected the dominance of the political system by the general and the military (see *The Government of Torrijos and the National Guard*, ch. 1).

Article 277 of the 1972 Constitution designated Torrijos as the "Maximum Leader of the Panamanian Revolution," granting him extraordinary powers for a period of six years, including the power to appoint most government officials and to direct foreign relations. On October 11, 1978, this and other temporary provisions of the 1972 Constitution expired, and a series of amendments, ratified by the Torrijos-controlled National Assembly of Municipal Representatives, became law. These amendments called for a gradual return to democratic political processes between 1978 and 1984 and were designed, in part, to assuage United States concerns over the undemocratic nature of the Panamanian political system (see *Torrijos Government Undertakes "Democratization,"* ch. 1).

In 1983 a commission representing various political parties was created to amend further the Constitution in preparation for the 1984 elections. The sixteen-member commission changed nearly half of the Constitution's articles, producing several significant alterations. Article 2 had given the military a special political role, but all mention of this was omitted in the revised draft. The legislature was also revamped. The National Legislative Council was eliminated, and the unwieldy, government-controlled National Assembly of Municipal Representatives, which had 505 representatives, one from each *corregimiento* (municipal subdistrict), became the Legislative Assembly, with 67 members apportioned on the basis of population and directly elected. The independence of the judiciary and the Electoral Tribunal were strengthened, the term of the president was reduced to five years, and two vice presidents were to be elected. Guarantees of civil liberties were strengthened, and official support for candidates in elections was, at least in theory, severely restricted:

The amended Constitution contains 312 articles. Power emanates from the people and is exercised by the three branches of government, each of which is "limited and separate," but all of which, in theory, work together in "harmonious collaboration." The national territory is defined as "the land area, the territorial sea, the submarine continental shelf, the subsoil, and air space between Costa Rica and Colombia." Any ceding, leasing, or other alienation of this territory to any other state is expressly forbidden. Spanish is the country's national language.

Citizenship may be acquired by birth or naturalization. Articles 17 through 50 guarantee a broad range of individual rights, including property rights, but Article 51 gives the president power to suspend many of these by declaring a "state of emergency." Articles 52 through 124 establish the role of the state in protecting the family, regulating labor conditions, promoting education and culture, providing assistance for health and other areas of social security, promoting agriculture, and protecting the environment.

After the elaboration of the composition, powers, and duties of the various organs of the governmental system, the Constitution ends with descriptions of the state's responsibilities with respect to the national economy, public administration, and national security. Engaging in economic activities, for example, is primarily the function of private individuals, but the state will "orient, direct, regulate, replace, or create according to social necessities . . . with the object of increasing national wealth and to ensure its benefits for the largest possible number of the nation's inhabitants." Article 308 provides for amending the Constitution, either through approval of amendments without modification by an absolute majority of two successive elected assemblies or approval with modifications by two assemblies and subsequent ratification of the modified text by a national referendum.

Panama's successive constitutions have been respected in varying degrees by the republic's governments. Since the 1968 coup, opponents of various governments have accused them of violating the spirit and, at times, the letter of the Constitution and of invoking the state of emergency provisions for purely political purposes. Creating public confidence in the rule of law established by the Constitution presented the government with one of its major challenges in the late 1980s.

The Governmental System

The Executive

As is the case throughout most of Latin America, constitutional

power in Panama—although distributed among three branches of government—is concentrated in the executive branch. The 1978 and 1983 amendments to the Constitution decreased the powers of the executive and increased those of the legislature, but the executive branch of government remains the dominant power in the governmental system as defined by the Constitution.

The executive organ is headed by the president and two vice presidents. They, together with the twelve ministers of state, make up the Cabinet Council, which is given several important powers, including decreeing a state of emergency and suspending constitutional guarantees, nominating members of the Supreme Court, and overseeing national finances, including the national debt. These officials, together with the FDP commander, attorney general, solicitor general, president of the Legislative Assembly, directors general of various autonomous and semiautonomous state agencies, and president of the provincial councils, make up the General Council of State, which has purely advisory functions.

The president and the two vice presidents, who must be native-born Panamanians and at least thirty-five years of age, are elected to five-year terms by direct popular vote. Candidates may not be related directly to the incumbent president or have served as president or vice president during the two preceding terms. Should the president resign or be otherwise removed from office, as was the case with President Ardito Barletta in 1985, he is replaced by the first vice president, and there is no provision for filling the vacancy thus created in the vice presidential ranks.

Under the Constitution, the president has the exclusive right to appoint or remove ministers of state, maintain public order, appoint one of the three members of the Electoral Tribunal, conduct foreign relations, and veto laws passed by the Legislative Assembly. In theory a veto may be overridden by a two-thirds majority vote of the assembly. In addition, many powers are exercised by the president jointly with the appropriate individual cabinet member, including appointing the FDP high command, appointing and removing provincial governors, preparing the budget, negotiating contracts for public works, appointing officials to the various autonomous and semiautonomous state agencies, and granting pardons. The president's power to appoint and remove cabinet members would seem to make the requirement for operating with the consent of the cabinet largely a formality, but the FDP and its allies in the PRD frequently have dictated the composition of the cabinet, using this as a means to exercise control over the president.

The two vice presidencies are relatively powerless positions, but since three vice presidents have succeeded to the presidency during

the 1980s, the posts are not insignificant. The first vice president acts as chief executive in the absence of the president, and both have votes in the Cabinet Council.

The ministers of state include the ministers of agriculture, commerce and industries, education, finance, foreign relations, government and justice, health, housing, labor and social welfare, planning and economic policy, the presidency, and public works. There is no ministry directly representing or having jurisdiction over the FDP (see Missions and Organization of the Defense Forces, ch. 5). Nevertheless, the minister of government and justice has nominal authority over the FDP's police functions, along with control over prisons, civil aviation, and internal communications, making this one of the most powerful cabinet posts. This ministry also supervises local government in the Comarca de San Blas as well as in the nine provinces, thus exerting central government control over local affairs.

The Legislature

The 1983 amendments to Panama's Constitution created a new legislative organ, the Legislative Assembly, a unicameral body with sixty-seven members, each of whom has an alternate. Members and alternates are elected for five-year terms that run concurrently with those of the president and vice presidents. To be eligible for election, an individual must be at least twenty-one years of age and be a Panamanian citizen either by birth or by naturalization with fifteen years of residence in Panama subsequent to naturalization. The legislature holds two four-month sessions each year and may also be called into special session by the president.

In theory, the assembly has extensive powers. It can create, modify, or repeal laws, ratify treaties, declare war, decree amnesty for political offenses, establish the national currency, raise taxes, ratify government contracts, approve the national budget, and impeach members of the executive or judicial branches. There are, however, significant limitations on these powers, both in law and in practice. Members are nominated for election by parties, and the parties may revoke their status as legislators. This gives the official government party, the PRD, and its allies the power to ensure conformity with government policy and prevent defections from its ranks. Moreover, there are no provisions for legislative control over the military. The legislature also is severely limited in its ability to control the budget. Under Article 268 of the Constitution, the assembly is prohibited from adding to the budget submitted by the executive without the approval of the Cabinet Council. It may not repeal taxes included in the budget unless, at the same time, it creates new taxes to make up any revenue lost.



*Legislative Palace, Panama City
Courtesy Embassy of Panama*

Differences in practice are also important. Since its creation, the assembly has never rejected an executive nomination for a government post, refused to ratify a treaty, or turned down an executive request for grants of extraordinary powers or for the establishment or prolongation of a state of emergency. The opposition, which held twenty-two seats in late 1987, has used the assembly as a forum to attack government policies and to criticize the role played in the administration by the FDP, but it has been unable to block or even seriously delay any government project. Assembly debates normally are broadcast live, but during the disturbances of June 1987, speeches by opposition members frequently were not carried on the radio.

The lack of institutional independence also has inhibited the development of local or special interest representation within the assembly. The parties' tight control over the selection of candidates and their subsequent performance as legislators works against such representation, as does the dominance of the executive branch. This control is further strengthened by the fact that elections are held only every five years and occur in conjunction with presidential elections.

Should political conditions change in Panama and the dominant role of the military be significantly reduced, the Legislative Assembly has the potential to emerge as a significant participant

in the national political process, but its powers would still be less extensive than those exercised by the executive branch. Under the circumstances existing in late 1987, it lacked both the power and the will to block, or even significantly modify, government projects and served largely as a public debating forum for government supporters and opponents.

The Judiciary

The Constitution establishes the Supreme Court as the highest judicial body in the land. Judges must be Panamanian by birth, be at least thirty-five years of age, hold a university degree in law, and have practiced or taught law for at least ten years. The number of members of the court is not fixed by the Constitution. In late 1987, there were nine justices, divided into three chambers, for civil, penal, and administrative cases, with three justices in each chamber. Judges (and their alternates) are nominated by the Cabinet Council and subject to confirmation by the Legislative Assembly. They serve for a term of ten years. Article 200 of the Constitution provides for the replacement of two judges every two years. The court also selects its own president every two years.

The Constitution defines the Supreme Court as the guardian of "the integrity of the Constitution." In consultation with the attorney general, it has the power to determine the constitutionality of all laws, decrees, agreements, and other governmental acts. The court also has jurisdiction over cases involving actions or failure to act by public officials at all levels. There are no appeals from decisions by the court.

Other legislation defines the system of lower courts. The nation is divided into three judicial districts: the first encompasses the provinces of Panamá, Colón, and Darién; the second, Veraguas, Los Santos, Herrera, and Coclé; the third, Bocas del Toro and Chiriquí (see fig. 1). Directly under the Supreme Court are four superior tribunals, two for the first judicial district and one each for the second and third districts. Within each province there are two circuit courts, one for civil and one for criminal cases. The lowest regular courts are the municipal courts located in each of the nation's sixty-five municipal subdivisions. In the tribunals, the judges are nominated by the Supreme Court, while lower judges are appointed by the courts immediately above them.

The Constitution also creates a Public Ministry, headed by the attorney general, who is assisted by the solicitor general, the district and municipal attorneys, and other officials designated by law. The attorney general and the solicitor general are appointed in the same way as Supreme Court justices, but serve for no fixed term.

Lower-ranking officials are appointed by those immediately above them. The functions of the Public Ministry include supervising the conduct of public officials, serving as legal advisers to other government officials, prosecuting violations of the Constitution and other laws, and arraigning before the Supreme Court officials over whom the Court "has jurisdiction." This provision pointedly excludes members of the FDP.

Several constitutional provisions are designed to protect the independence of the judiciary. These include articles that declare that "magistrates and judges are independent in the exercise of their functions and are subject only to the Constitution and the law"; that "positions in the Judicial Organ are incompatible with any participation in politics other than voting"; that judges cannot be detained or arrested except with a "written order by the judicial authority competent to judge them"; that the Supreme Court and the attorney general control the preparation of the budget for the judicial organ; and that judges "cannot be removed, suspended, or transferred from the exercise of their functions except in cases and according to the procedures prescribed by law."

The major defect in the judicial system lies in the manner in which appointments are made to the judiciary. Appointments of judges and of the attorney general are subject to the approval of the Legislative Assembly, but that body has functioned as a rubber stamp for candidates selected by the executive. Lower-level appointments, made by superiors within the judicial organ, are not subject to assembly approval. In addition, the first two Supreme Court justices appointed after the 1984 elections were both former attorneys general, closely associated with the government and even involved in some of its most controversial actions, such as the investigation of the murder of opposition leader Spadafora. As a result, the opposition has regularly denounced the judicial system for being a political organ controlled by the FDP and the PRD. Numerous external observers, including the Inter-American Commission on Human Rights of the Organization of American States (OAS), the United States Department of State, and various human rights organizations, also have criticized the lack of independence of the Panamanian judiciary and of the Public Ministry (see Administration of Justice, ch. 5).

State Agencies and the Regulation of Public Employees

In addition to the three branches of government, the state apparatus includes numerous independent or quasi-independent agencies and institutions that function in a variety of ways. The most important of these is the three-member Electoral Tribunal. The

Constitution provides that the executive, legislative, and judicial branches of government will each select one of the members of this body. The tribunal is charged with conducting elections, tabulating and certifying their results, regulating, applying, and interpreting electoral laws, and passing judgment on all allegations of violations of these laws. The tribunal also conducts the registration of voters and the certification of registered political parties and has jurisdiction over legal disputes involving internal party elections. Its decisions are final and may be appealed only in cases where the tribunal is charged with having violated constitutional provisions. Although the tribunal may pass judgment on charges of violations of electoral laws and procedures, the prosecution of those charged with such violations is in the hands of the electoral prosecutor, an individual independent of the tribunal who is appointed by the president for a single term of ten years.

While autonomous in theory, in practice the Electoral Tribunal has consistently followed the dictates of the government and the FDP. This was exemplified most clearly in the decision to certify the results of the 1984 elections, dismissing all charges of fraud and other irregularities. The position of the electoral prosecutor is even more subject to administrative control. The opposition parties consistently have attacked the lack of independence of the tribunal and the prosecutor and have refused to participate in tribunal-controlled projects aimed at reforming the electoral code in preparation for the 1989 elections. President Eric Arturo Delvalle Henríquez urged broad participation in such efforts and promised to appoint a member of the opposition to the tribunal, but such actions did not satisfy the opposition. The tribunal, itself, has declared that it is not provided adequate funds for the tasks with which it is charged.

The Constitution also provides for an independent comptroller general who serves for a term equal to that of the president and who may be removed only by the Supreme Court. The comptroller is charged with overseeing government revenues and expenditures and investigating the operations of government bodies. Although independent in theory, in practice holders of this office have virtually never challenged government policy.

Quasi-independent governmental commissions and agencies include the National Bank of Panama; the Institute of Hydraulic Resources and Electrification, which is in charge of the nation's electrical utility; the Colón Free Zone; and the University of Panama. Other state agencies and autonomous and semiautonomous agencies function in various capacities within the social and economic system of the nation.

Public employees, defined by the Constitution as “persons appointed temporarily or permanently to positions in the Executive, Legislative, or Judicial Organs, the municipalities, the autonomous and semiautonomous agencies, and in general those who collect remuneration from the State,” are all to be Panamanian citizens and are governed by a merit system. The Constitution prohibits discrimination in public employment on the basis of race, sex, religion, or political affiliation. Tenure and promotion, according to Article 295, are to “depend on their competence, loyalty, and morality in service.” Several career patterns relating to those in public service are outlined and standardized by law. The Constitution also identifies numerous individuals, including high political appointees, the directors and subdirectors of autonomous and semiautonomous agencies, secretarial personnel, and temporary employees, who are exempted from these regulations. In addition, the Constitution stipulates that a number of high government officials, including the president and vice presidents, Supreme Court justices, and senior military officials, must make a sworn declaration of their assets on taking and leaving office. In practice, these provisions often are ignored or circumvented. Public employment is characterized by favoritism, nepotism, and a tendency to pad payrolls with political supporters who do little if any actual work.

Provincial and Municipal Government

The nine provincial governments are little more than administrative subdivisions of the central government. Article 249 of the Constitution states that “in each province there shall be a Governor freely appointed and removed by the Executive who shall be the agent and representative of the President within his jurisdiction.” In addition, each province has a body known as the Provincial Council, composed of district (*corregimiento*) representatives. The governor, mayors, and additional individuals “as determined by the law” also take part in each council, but without voting rights. The powers of these councils are largely advisory, and they lack actual legislative responsibility. The Comarca de San Blas, inhabited largely by Cuna Indians, has a distinct form of local government headed by caciques, or tribal leaders (see Indians, ch. 2).

In contrast, the nation’s sixty-five municipal governments are “autonomous political organizations.” Although closely tied to the national government, municipal officials, under Article 232 of the Constitution, may not be removed from office by the national administration. In each municipality, mayors, the directors of municipal administration, and their substitutes (*suplentes*) are directly elected for five-year terms. There is, however, an additional

constitutional provision that the Legislative Assembly may pass laws requiring that officials in some or all municipalities are to be appointed by the president rather than elected. In 1984 municipal officials were elected in a separate election, held on short notice after the election of the president and the legislature. Opposition parties protested the timing and conditions of these elections, but participated. The great majority of offices, including those in the capital, were won by pro-government candidates, but opposition parties did gain control of a few municipalities, notably in David, capital of Chiriquí Province.

Municipalities are divided further into districts, from each of which a representative is elected to the Municipal Council. Should a town have fewer than five districts, five council members are chosen in at-large elections. These districts, in turn, have their own form of local government, headed by a *corregidor*, and including a *junta communal* made up of the *corregidor*, the district's representative to the Municipal Council, and five other residents "selected in the form determined by law."

The major concern of municipal and district officials is the collection and expenditure of local revenues. These local politicians have some control over public works, business licenses, and other forms of local regulations and improvements, but many functions that fall within the jurisdiction of local governments in other nations, such as educational, judicial, and police administration, are left exclusively to the jurisdiction of the central government. Local administrations do contribute to the cost of schools, but the amount of their contribution is determined at the national level, based on their population and their state of economic and social development.

Nationalism, Populism, and Militarism: The Legacy of Omar Torrijos

From 1968 until his death in an airplane crash in 1981, General Torrijos dominated the Panamanian political scene. His influence, greater than that of any individual in the nation's history, did not end with his death. Since 1981 both military and civilian leaders have sought to wrap themselves in the mantle of *Torrijismo*, claiming to be the true heirs of the general's political and social heritage. As of the late 1980s, none had been particularly successful in this effort.

Before 1968 Panama's politics had been characterized by personalism (*personalismo*), the tendency to give one's political loyalties to an individual, rather than to a party or particular ideological platform (see *The Oligarchy under Fire*, ch. 1). The dominant force had been the traditional elite families, known as the *rabiblanco*s



*Political rally with poster of Torrijos
Courtesy National Archives*

(white tails), concentrated in Panama City. They manipulated nationalist sentiment, largely directed against United States control over the Canal Zone, the National Guard, and various political parties in order to maintain their control. The most dominant individual in the pre-1968 period was Arnulfo Arias, a charismatic, right-wing nationalist who was both feared and hated by the National Guard's officers. His overthrow in 1968 marked the third time that he had been ousted from the presidency, never having been allowed to finish even half of the term for which he had been elected.

It soon became apparent that the 1968 coup differed fundamentally from those that preceded it. Torrijos actively sought to add lower- and middle-class support to the power base provided by his control over the military, using a mixture of nationalism and populism to achieve this goal. He cultivated laborers, small farmers, students, and even the communists, organized in Panama as the People's Party (Partido del Pueblo—PdP). He excluded the traditional elites from political power, although he left their economic power base largely untouched. Political parties were banned, and the legislature was dissolved (until replaced in 1972 by the National Assembly of Municipal Representatives, 505 largely government-selected representatives of administrative subdistricts supposedly elected on a nonpartisan basis). Torrijos justified his

policies as being required by the pressing social needs of the population and by the overriding need to maintain national unity in order to negotiate a treaty with the United States that would cede sovereignty over the Canal Zone and ultimately give control of the Panama Canal to Panama.

In the early 1970s, the strength of the populist alliance forged by Torrijos was impressive. He had reduced the traditional antagonism between the National Guard and the students, purging disloyal elements within both in the process. The loyalty of the middle classes was procured through increased public-sector employment. Major public housing projects, along with expanded health, education, and other social service programs, helped maintain support in urban areas. Labor leaders were cultivated through the adoption of a much more favorable labor code, and a constant emphasis on the necessity of gaining control over the canal undercut the nationalist appeal of Arnulfo Arias. By 1976, however, rising inflation, increased unemployment, and the continued failure to negotiate a canal treaty had begun to undermine the general's popularity.

The 1977 signing of the Panama Canal treaties, giving Panama full control over the canal in the year 2000, actually added to the problems confronting Torrijos. There was considerable opposition in Panama to some provisions of the treaties, and it took all of the general's prestige to secure the needed two-thirds majority for ratification in an October 1977 national plebiscite. Resentment further increased when the government acceded to several amendments passed by the United States Senate after the plebiscite (see *The 1977 Treaties and Associated Agreements*, ch. 1). At the same time, in order to facilitate United States ratification of the treaties, Torrijos found it necessary to promise to restore civilian rule and return the military to the barracks.

The 1978 amendments to the Constitution were the first step in the process of restoring civilian rule. That same year, the government allowed exiled political opponents to return, permitted the re-emergence of political parties, and promised to hold legislative elections in 1980 and presidential elections in 1984. Only parties that could register 30,000 members, however, would gain official recognition. Torrijos and his supporters used the new system to create their own political party, the PRD, which tried to combine the old elements of the Torrijos coalition into a single political structure. Torrijos also appointed a new civilian president, Aristides Royo, and announced that he was relinquishing the special powers he had exercised since 1972.

Opponents argued that the pace of democratization was too slow and called for immediate, direct election of both the president and

a representative legislature. Ultimately, however, most sought to achieve legal status for their parties. A major exception was Arnulfo Arias's Panameñistas, who initially boycotted the entire process. In the 1980 elections for nineteen of the fifty-seven seats in the legislature, the principal parties to emerge were the PRD, with twelve seats, and the opposition National Liberal Party (Partido Liberal Nacional—PLN), with five seats, and Christian Democratic Party (Partido Demócrata Cristiano—PDC), with one seat.

Political Developments in the Post-Torrijos Era

The death of General Torrijos in a July 1981 airplane crash represented a major break in the pattern of Panamanian politics (see *The Post-Torrijos Era*, ch. 1). The next several years saw considerable turmoil both in the National Guard and among the political leadership, as various individuals jockeyed to fill the void created by Torrijos's untimely death. Command of the National Guard was initially assumed by Colonel Florencio Florez Aguilar, but in March 1982, a struggle for power among the officers resulted in his replacement by Colonel Rubén Darío Paredes, who promptly promoted himself to general and, four months later, forced President Royo to resign. In December further changes in the National Guard's command structure saw the emergence of Colonel Noriega as chief of staff and the likely successor to Paredes.

On April 24, 1983, nearly 88 percent of the voters in a national referendum approved further amendments to the Constitution designed to set the stage for the 1984 presidential and legislative elections. Much of the rest of the year was devoted to maneuverings by Paredes and other potential presidential candidates, seeking to gain support for their ambitions and to form coalitions with other political groups and parties, in order to further enhance their prospects. By September 13 parties had gained the 30,000 signatures necessary for official registration. These included the Panameñistas, as Arnulfo Arias reversed his longstanding boycott of the political process. Nominated by the PRD and several other parties, Paredes resigned from his post as the National Guard's commander to pursue his presidential ambitions. Nevertheless, after Noriega was promoted to general and took over command of the National Guard, he quickly moved to undercut Paredes, leading to a sudden announcement of Paredes's withdrawal as a presidential candidate in September.

Paredes's withdrawal led to considerable confusion in the political process. Ultimately, two major coalitions emerged and presented candidates for president. (Although the parties united behind their

presidential candidates, they nevertheless ran separate slates for seats in the legislature.)

The National Democratic Union (Unión Nacional Democrática—UNADE) was formed by six parties: the PRD; the Labor and Agrarian Party (Partido Laborista Agrario—PALA), frequently referred to simply as the Labor Party; the PLN; the Republican Party (PR—Partido Republicano); the Panameñista Party (Partido Panameñista—PP), a small faction that broke away from the majority of Panameñistas, who continued to follow Arnulfo Arias; and the Broad Popular Front (Frente Amplio Popular—FRAMPO). UNADE's presidential candidate was Nicolás Ardito Barletta, an international banker with little political experience. PR leader Eric Arturo Delvalle and PLN veteran Roderick Esquivel received the vice presidential nominations. UNADE's principal competition was the Democratic Opposition Alliance (Alianza Democrática de Oposición—ADO), which encompassed three major parties: the majority of Panameñistas organized in the Authentic Panameñista Party (Partido Panameñista Auténtico—PPA), the PDC, and the National Liberal Republican Movement (Movimiento Liberal Republicano Nacional—MOLIRENA). A number of smaller parties also joined the coalition. ADO's presidential candidate was eighty-three-year-old Arnulfo Arias. Carlos Francisco Rodríguez and Christian Democratic leader Ricardo Arias Calderón were its vice presidential candidates.

Five minor candidates also entered the race. They included General Paredes, who reentered the field as the candidate of the Popular Nationalist Party (Partido Nacionalista Popular—PNP); Carlos Iván Zúñiga of the Popular Action Party (Partido de Acción Popular—PAPO); and the candidates of three small, far-left parties.

The campaign and election were marred by violence and repeated charges by Arnulfo Arias and other opposition candidates that the Guard was using force, fraud, and intimidation to promote Ardito Barletta's candidacy. Official counting of the vote was delayed for several days and the Electoral Tribunal appeared divided, but ultimately the government certified Ardito Barletta as president, declaring that he had won with 300,748 votes to 299,035 for Arias. None of the minor candidates won more than 16,000 votes. All parties outside the major alliances plus the smallest members of the UNADE coalition (FRAMPO and the PP) lost their legal status by failing to receive 3 percent of the total vote. Supporters of Arnulfo Arias charged that Ardito Barletta's victory was the result of massive government fraud and organized several protest demonstrations, but to no avail. Charges of fraud also were launched against the winners of several legislative seats. In these races, official returns

gave a large majority to members of the government coalition; the PRD won thirty-four seats, the PPA fourteen, PALA seven, the PDC five, the PR and MOLIRENA three each, and the PLN one.

Disturbances continued for weeks after the announcement of Ardito Barletta's victory, contributing to a decision to postpone scheduled municipal elections. The disturbances also aggravated an already deteriorating economic situation, fueled by a massive debt and a rising budget deficit. In November 1984, shortly after his inauguration, Ardito Barletta attempted to implement an austerity program and to reduce the budget deficit through increased taxes. These measures led to a wave of strikes and public demonstrations, and the president was forced to back off on some of his proposals.

Conditions continued to deteriorate in 1985. Elements of the government coalition joined in protests against Ardito Barletta's economic policies, and pressures from the National Guard and the PRD forced the president to agree to changes in several key cabinet posts. Both business and labor confederations withdrew from government-sponsored meetings to discuss the situation, and labor disturbances increased. In August Noriega publicly criticized the government.

Rumors of a coup were spreading when, on September 14, 1985, the headless body of a prominent critic of Noriega, Dr. Hugo Spadafora, was found in Costa Rica. This discovery unleashed another round of protest demonstrations. Noriega and the National Guard denied any involvement in the murder, but they refused to allow an independent investigation. When Ardito Barletta seemed to indicate some willingness to do so, he was hurriedly recalled from a visit to the United Nations (UN) and, on September 28, forced to resign. Vice President Delvalle became the fifth president in less than four years.

The ousting of Ardito Barletta failed to calm the situation. Protests over Spadafora's murder and over the economic situation continued. In October the government was forced to close all schools for several days. Rising tensions also began to affect relations with the United States, which had opposed the ousting of Ardito Barletta, and even created problems within the major pro-government party, the PRD, which underwent a shake-up in its leadership.

The new administration initially attempted to reverse the rising tide of discontent by returning to the populist policies of the Torrijos era. Prices of milk, rice, and petroleum were lowered, and President Delvalle announced that any agreement with the International Monetary Fund (IMF—see Glossary) would be based on negotiations with labor and with the private sector. Economic

realities, however, soon forced the government to impose an austerity program remarkably similar to that advocated by Arditto Barletta and to introduce, over strong objections from the unions, sweeping reforms in the labor code, designed to make Panama more attractive for foreign and domestic investment (see Wage Policy and Labor Code, ch. 3). A national strike protesting the new policies failed when Noriega and the FDP supported Delvalle. The new policies produced some economic improvement but did nothing to resolve mounting political problems.

Panama's domestic problems were paralleled by growing criticism abroad, notably in the United States. In March 1986, the Subcommittee on Western Hemisphere Affairs of the United States Senate Committee on Foreign Relations began holding hearings on the situation in Panama, and the following month hearings also began in the House of Representatives. In June a series of articles by Seymour Hersh alleging involvement by Panamanian officials in narcotics trafficking, the murder of Spadafora, and the passing of sensitive intelligence to Cuba were published in the *New York Times* (see Involvement in Political and Economic Affairs, ch. 5). Both within and outside Panama, the increased criticism focused attention on the military and on General Noriega. Delvalle's civilian government found it increasingly difficult to contend with the perception that it was little more than a pliant tool of the military. These perceptions were further strengthened in October 1986, when the president, despite open protests, was forced to dismiss four cabinet ministers and appoint their replacements from a list prepared by the PRD.

Tensions also increased between the government and opposition media within Panama in 1986. Roberto Eisenman, Jr., editor of *La Prensa*, took refuge in the United States, alleging that there was a government plot to kill him. Radio Mundial, owned by opposition political leader Carlos Iván Zúñiga, was ordered closed. But despite increased protests and international pressures, the government's hold on power seemed unshaken.

The situation changed abruptly in June 1987. A long-time power struggle within the FDP between Noriega and his chief of staff, Colonel Roberto Díaz Herrera, led to the forced retirement of Díaz Herrera on June 1. Six days later, the colonel responded by a series of public denunciations, accusing Noriega of involvement in the deaths of Torrijos and Spadafora and of using massive fraud to ensure the victory of Arditto Barletta in the 1984 elections. The result was widespread rioting. The opposition demanded that both Noriega and Delvalle resign, and numerous civic and business groups formed the National Civic Crusade (*Cruzada Civilista*

Nacional—CCN) to press for changes in the government. As demonstrations spread, the government declared a state of emergency, suspending constitutional rights and instituting censorship (see Administration of Justice; National Security, ch. 5). The CCN responded by calling a national strike that paralyzed the economy for several days. Violent actions by government forces and anti-government demonstrators further polarized public opinion. The leadership of Panama's Roman Catholic Church joined in criticism of the government but urged a peaceful solution to the national crisis. Such calls were ignored by the government, which, instead, threatened to arrest those involved in the protests and seize the property of businesses that joined in the strike, closed the schools, and unleashed a virulent propaganda campaign accusing its opponents of being linked with United States interests that wanted to abort the Panama Canal treaties.

The general strike collapsed after a few days, but protests did not end. Periodic protests, strikes, and demonstrations continued throughout the summer and fall of 1987. Relations with the United States deteriorated rapidly as the government charged the United States embassy with supporting the opposition and bitterly protested a United States Senate resolution calling for an investigation of the charges made by Díaz Herrera. An attack on the embassy by a mob and the arrest of United States diplomatic and military personnel by the FDP led to a suspension of military assistance by the United States. At the end of 1987, relations were more strained than at any time since the 1964 riots.

The continued civil strife also badly damaged Panama's economy. The future of the banking sector seemed especially imperiled if the deadlock between the government and its opponents should be prolonged.

In late 1987, it seemed clear that the CCN and the opposition political parties could not, by themselves, force a change in either the military or civilian leadership. Indeed, their efforts may have solidified military support behind Noriega and Delvalle. But it was equally clear that the incumbent leadership could neither restore business confidence nor stop the steady flight of capital from the country. Efforts to portray the conflict as a class struggle or as part of a United States plot to retain control of the canal only exacerbated the situation. Restoring order, rebuilding the economy, and creating faith in the political system were formidable tasks that became more difficult with each passing month. Panama, in late 1987, was a society in crisis, with a political system that could not function effectively, but the government appeared determined to resist any effort to produce fundamental changes.

Political Forces

During the first decades of independence, Panamanian politics were largely dominated by traditional, upper-class families in Panama City. By the 1940s, however, the populist nationalism of Arnulfo Arias and the growing strength of the National Police (later the National Guard and then the FDP) had begun a steady process of reducing the oligarchy's ability to control events. Following World War II, students and, to a lesser extent, labor groups became more active in national politics. The 1968 military coup, which brought Torrijos to power, represented both the ascendancy of the military as the preeminent political force in Panama and a further diminution in the influence of traditional political parties and elite families. At the same time, the growth of the Panamanian economy gave business and professional organizations greater importance and potential influence.

From the 1964 riots until the 1978 ratification of the Panama Canal treaties, the issue of United States control over the Panama Canal dominated the national political scene (see *The 1964 Riots*, ch. 1). When treaty ratification largely removed that issue, the focus shifted back to internal political conditions, and pressures, both domestic and international, for a return to civilian rule mounted steadily. Internal political dynamics had changed fundamentally, however, during the Torrijos era. His death in 1981 unleashed a struggle for power within the military, between the military and civilians, and among civilians, which has continued and intensified in subsequent years.

Political Parties

Panama inherited the traditional political parties of Colombia—the Liberal Party and the Conservative Party—which vied against one another from 1903 until the 1920s (see *Organizing the New Republic*, ch. 1). This proved to be an unnatural party alignment: the Conservatives had never identified strongly with the independence movement and were not able to develop a mass following. The dominant political focus was rather on divisions within the Liberal Party. In time, the Liberals split into factions clustered around specific personal leaders who represented competing elite interests. The emergence of Arnulfo Arias and the Panameñistas provided a major challenge to the factionalized Liberals. The creation of a military-linked party in the 1950s, the National Patriotic Coalition (*Coalición Patriótica Nacional*—CPN), further reduced the Liberals' strength. Liberals (the PLN) did win the 1960 and 1964 presidential elections, but lost in 1968 to Arnulfo Arias, who



*Opposition march in
Panama City, August 1987
Courtesy Picture Group
(Bill Gentile)*



*General Manuel Antonio
Noriega Moreno, August 1987
Courtesy Picture Group
(Bill Gentile)*

was ousted promptly by the military. In the aftermath of that coup, the military declared political parties illegal. Despite this edict, the PLN and the PPA survived the period of direct military rule and other parties, such as the PDC, actually gained strength during this period.

The first party to register after political parties were legalized in late 1978 was the PRD. Designed to unify the political groups and forces that had supported Torrijos, the PRD, from its inception, was linked closely with and supported by the military. Proclaiming itself the official supporter and upholder of Torrijismo, the vaguely populist political ideology of Torrijos, the PRD included a broad spectrum of ideologies ranging from extreme left to right of center. The prevailing orientation was left of center. Like the ruling Institutional Revolutionary Party (Partido Revolucionario Institucional—PRI) in Mexico, the PRD has managed to co-opt much of the Panamanian left, thereby limiting and undermining the strength of avowedly Marxist political parties. Unlike the PRI, however, the PRD has never been able to separate itself from the military or to gain majority popular support. At times the PRD also has claimed a social-democratic orientation, and in 1986 it acquired the status of a “consulting member” in the Socialist International.

According to its declaration of principles, in the late 1980s the PRD was a multi-class, revolutionary, nationalistic, and independent party. Its structure included organizations for workers, peasants, women, youth, government employees, and professionals. It consistently had sought, with some success, to cultivate close ties with organized labor. The PRD had 205,000 registered members in 1986. It won approximately 40 percent of the votes in the 1980 elections, but gained only 27.4 percent of the vote in 1984, losing its place as the nation’s largest party to the PPA. The PRD did, however, win thirty-four of the sixty-seven seats in the legislature.

Because of its inability to muster majority support, the PRD has sought electoral alliances with other parties. At first it was allied with FRAMPO and the PdP, the orthodox, pro-Moscow communist party that had earlier supported Torrijos. The PRD later cut its ties with the PdP and, together with FRAMPO, joined the PLN, PALA, PP, and PR to form the UNADE coalition, which supported the 1984 presidential candidacy of Ardito Barletta. FRAMPO won only 0.8 percent of the vote in 1984 and lost its legal status, as did the PP, but the coalition of the other 4 parties—PRD, PLN, PALA, and PR—remained officially in place in the late 1980s.

In the late 1980s, the PLN was only a shadow of its former self. It had split repeatedly, including a rift in late 1987 when Vice

President Esquivel began criticizing the policies of President Delvalle and was, in turn, ousted from control of the party by a faction headed by Rodolfo Chiari. Affiliated with the Liberal International, the party won 4.4 percent of the vote in 1984 and gained 1 seat in the legislature. Its ideology was generally right of center.

The PALA was the second largest party in UNADE. PALA won 7.1 percent of the vote and 7 seats in the legislature in 1984. The party's secretary general, Ramón Sieiro Murgas, is Noriega's brother-in-law. Despite its title, the party generally has adopted a right-of-center, pro-business position. The party experienced considerable turmoil in 1987, with founder Carlos Eleta Almarán being ousted as party president. In addition, one of its seven legislators, Mayin Correa, denounced the government's actions during the June disturbances, leading, in turn, to efforts to expel her from PALA.

The PR was a right-of-center party dominated by the aristocratic Delvalle and Bazan families. In return for joining UNADE, Delvalle was given one of the vice presidential nominations and became president following the forced resignation of Ardito Barletta. The party won 5.3 percent of the popular vote and gained 3 seats in the legislature in the 1984 elections.

The principal opposition party was the PPA, which won 34.5 percent of the votes in the 1984 elections, the largest percentage gained by any party. Since its founding in the 1940s, the Panameñista Party had served as the vehicle for the ambitions and populist ideas of Arnulfo Arias. After a party split in 1981, the great majority of Panameñistas stayed with Arias and designated themselves as Arnulfistas, and their party became known as the PPA. The smaller faction adopted Partido Panameñista (PP) as its name. Strongly nationalist, the PPA was anticommunist and antimilitary and advocated a populist nationalism that would restrict the rights of Antillean blacks and other immigrant groups.

Arias turned eighty-six in 1987 and could no longer exercise the leadership or muster the popular support he enjoyed in the past. He remained politically active, however, and his party was officially committed to installing him as president. With fourteen seats, it controlled the largest opposition bloc in the legislature, but its future, given the age and growing infirmity of its leader, was highly uncertain.

In 1984 the PPA had joined with several other parties in the ADO, which supported the presidential candidacy of Arnulfo Arias. The most important of these parties was the Christian democratic PDC, which won 7.3 percent of the 1984 vote but secured only 5 seats in the legislature. Its leader, Ricardo Arias Calderón, was a vice presidential candidate on the Arnulfo Arias ticket and

emerged in 1987 as the most visible spokesman of the political opposition. The party was an active member of both the Latin American and world organizations of Christian democratic parties. The party was anticommunist and was generally located in the center of the political spectrum, advocating social reforms and civilian control over the military.

MOLIRENA also joined ADO and won 4.8 percent of the vote and 3 seats in the legislature in 1984. It was a pro-business coalition of several center-to-right political movements including dissident factions of the PLN. Its supporters worked closely with the PDC.

In addition to the seven principal parties that each won more than 3 percent of the 1984 vote, thereby gaining representation in the legislature and maintaining their legal status as registered parties, there were numerous other, smaller political parties and organizations that lacked this legal status. They included the Authentic Liberal Party (Partido Liberal Auténtico—PLA), a dissident Liberal faction that supported ADO in 1984, and the PP, a small group that broke with Arnulfo Arias and supported UNADE in 1984. There were also several groups on the far left, including the Moscow-oriented PdP, the Socialist Workers Party, and the Revolutionary Workers Party. All were Marxist, all ran presidential candidates in 1984, and each won less than 1 percent of the vote.

The PAPO was an independent group with a social democratic orientation. It had ties to the leading opposition newspaper, *La Prensa*, and was a constant critic of the government and of the FDP. It ran Carlos Iván Zúñiga for president in 1984 but gained only 2.2 percent of the vote, thus forfeiting its legal status.

The Panama Defense Forces

Although Panama's Constitution expressly prohibits military intervention in party politics, there was general agreement in the late 1980s that the FDP and its commander, General Noriega, controlled the internal political process. The PRD and, to a lesser extent, PALA, were seen as vehicles for military influence in politics. Presidents served at the pleasure of the military, and elections were widely viewed as subject to direct manipulation by the FDP. The officer corps had virtually total internal autonomy, including control over promotions and assignments and immunity from civil court proceedings. The military was supposed to have begun a turn-over of power to civilians in 1978, but in 1986 Professor Steve Ropp noted that "the system of government, established by General Torrijos, which allows the Defense Forces high command to rule through the instrument of the Democratic Revolutionary Party, remains largely intact."

If anything, the influence and power of the FDP increased after 1978. The force expanded from a total of 8,700 in 1978 to nearly 15,000 by the end of 1987. The military retained direct control of all police forces and expanded its influence in such areas as immigration, railroads, ports, and civil aviation. Three presidents were forced to resign, and the military itself changed commanders several times without consulting the president or the legislature.

The small size and pyramidal rank structure of the FDP's officer corps helped maintain unity and concentrated effective power in the hands of the commander. This situation facilitated communications and consultations among senior officers, inhibited dissent, and made any effort to defy the wishes of the commander both difficult and dangerous. The total failure of the efforts of former Colonel Díaz Herrera to gain support from within the officer corps, following his forced retirement in June 1987, illustrated both the cohesion of this body and the ability of its commander to dominate subordinate officers. Internal discipline within the officer corps was very strong, pressures to support existing policies were constant, and any deviation from these norms was likely to be fatal to an officer's hopes for future advancement.

The gap between the FDP and the civilian population was great and probably widening in the late 1980s. Part of this distance was the result of a deliberate policy by the high command, which actively promoted institutional identity defined in terms of resisting any external efforts to reduce the military's power or privileges or to gain any degree of control over its internal affairs. In this context, any criticisms of the FDP's commander, of the FDP's role in politics or the economy, and any charges of corruption have been viewed as attacks on the institution, and mass meetings of junior officers have been held to express total support for the high command.

Although there was no ideological unity within the officer corps, there was a consensus in favor of nationalism (often defined as suspicion of, if not opposition to, United States influence), developmentalism, and a distrust of traditional civilian political elites. There was also an overwhelming consensus against allowing Arnulfo Arias to return to power. The FDP was very proud of its extensive civic-action program, which it has used to gain political support in rural areas. It also saw itself as the promoter and guarantor of the populist political heritage of Torrijos.

Business, Professional, and Labor Organizations

Traditionally, sectoral interest groups have played a minor role in Panamanian politics. Commercial and industrial interests were

expressed largely within the extended family systems that constituted the oligarchy. A heavy reliance on government jobs inhibited the development of professional organizations that could reflect middle-class interests. The slow rate of industrial development, the major role of the United States as an employer of Panamanians in the Canal Zone, and fragmentation and infighting within the labor movement all contributed to keeping that sector chronically weak. Nevertheless, the absence of political parties during most of the 1970s, accompanied by economic expansion, led to a growing importance for sectoral groups as vehicles for the expression of political interests. Frustrations over the failures of the political process and the evident inability of political parties to control the military gave this trend further impetus during the 1980s. As a result, sectoral groups emerged during the 1987 upheavals as major political actors, mounting a significant challenge to military domination of the political process.

In the late 1980s, Panamanian businesses and professions were organized into numerous specialized groups, such as the Bar Association, the National Union of Small and Medium Enterprises, the Panamanian Banking Association, and the National Agricultural and Livestock Producers. Two of the most important organizations were the Chamber of Commerce, Industries, and Agriculture of Panama and the Panamanian Business Executives Association. These and numerous other organizations were included in the National Free Enterprise Council (*Consejo Nacional de la Empresa Privada*—CONEP). The various groups within CONEP have often disagreed on issues, making it difficult to present a position of common interest. On two issues, however, protection from government encroachments on the private sector and the maintenance of their position *vis-à-vis* labor, members of CONEP consistently have found a unified position. Moreover, sentiment has grown increasingly within CONEP and many of its affiliated organizations that the problems facing the private sector extend beyond specific issues to growing problems within the political system as a whole. Resentment over continued military domination of the political system, a perception of increased corruption and inefficiency within the government, and a feeling that political conditions were increasingly unfavorable for business all combined to make many business leaders willing to join, and even lead, open opposition to the government when the June 1987 crisis erupted.

During the June 1987 crisis, business groups played a key role in the organization and direction of the CCN, which spearheaded protests against the regime. Many of the major bodies within CONEP, such as the Chamber of Commerce and Panamanian

Business Executives Association, became formal members of the CCN. A total of more than 130 business, professional, civic, and labor groups joined the crusade, which undertook the task of organizing, directing, and coordinating the campaign to force Noriega out of power and to reduce the role of the military in government. The crusade deliberately excluded political parties from its membership and active politicians from its leadership. The presidents of CONEP and of the Chamber of Commerce took major leadership roles within the crusade, which emphasized peaceful demonstrations, economic pressures, and boycotts of government enterprises as means of forcing change on the government. The FDP responded with a campaign of measured violence and intimidation against the crusade's leaders and supporters. By the fall of 1987, most of the original leadership had been driven into exile, and the effort appeared to have lost much of its impetus. The economic pressures continued, however; exiled leaders undertook a major international propaganda campaign against the government, and business groups within Panama kept up economic pressures, which began to have a serious impact on the economy and on government revenues. In December 1987, Delvalle offered an amnesty to most of the exiled crusade leaders, but this action neither appeased the opposition among the business and professional classes nor in any way responded to the causes that had created the crusade.

Although at the end of 1987 the crusade had not been able to force basic change on the government and the military, neither had the government and the FDP been able to end the campaign of civic opposition. How long the CCN would endure and what ultimate success it might enjoy remained unanswered questions, but the role and power of business and professional organizations within the Panamanian political structure had undergone fundamental change.

The Panamanian labor movement traditionally had been fragmented and politically weak. The political weakness of labor was exacerbated further by the fact that Panamanians working in the Canal Zone belonged to United States rather than Panamanian labor unions. The 1977 Panama Canal treaties made provisions for the collective bargaining and job security of these workers, and it was likely that Panamanian unions would replace United States unions when Panama assumed full control over the canal, but in the late 1980s, most canal workers remained with the original unions.

Labor organizations grew significantly in size and importance under Torrijos, who actively supported this trend. Major labor federations included the relatively moderate Confederation of Workers

of the Republic of Panama, which had approximately 35,000 members, and the somewhat smaller, leftist, antibusiness National Workers' Central, which had ties with the Moscow-oriented PdP. There was also the Isthmian Workers' Central, a small confederation linked to the PDC. In 1972 these three bodies created the National Council of Organized Workers (Consejo Nacional de Trabajadores Organizados—CONATO) to give them a more unified voice and greater influence on issues of interest to organized labor. Other unions, including the important National Union of Construction and Related Workers, have since joined CONATO, increasing its affiliates to 12 with a claimed combined membership of 150,000. The diverse labor alliance in CONATO was an uneasy one, but the council succeeded in generating greater unity and militancy than had its component unions individually. A 1985 general strike called by CONATO forced the government to suspend plans to amend the labor code. Ultimately, however, the code was amended, reducing workers' job security. A March 1986 strike protesting these changes failed. CONATO reacted by urging its members to resign from parties that supported the government.

Despite the 1985–86 problems, labor generally was more supportive of the government than of the political opposition. This situation, however, was strained by the disturbances that began in June 1987. A few smaller labor groups joined the civic crusade, but CONATO did not. The government's problems, however, were compounded by a series of strikes by the public employees' union, the National Federation of Associations and Organizations of Public Employees (Federación Nacional de Asociaciones y Sindicatos de Empleados Públicos—FENASEP). The leadership of FENASEP even went so far as to threaten to respond to any government effort to dismiss government workers by publishing lists of all those on the government payroll "who do not go to work." CONATO was also critical of many government actions, demanding that closed newspapers and radio stations be reopened and that the government open a dialogue to end the continuing crisis. Whereas labor's influence in Panamanian politics remained limited, it was increasing steadily and was something that neither the government nor its political opposition could control or take for granted.

Students

University and secondary school students have long played a leading role in Panama's political life, often acting as advocates of the interests of the lower and middle classes against the oligarchy and the military. Students also played a leading role in demonstrations against United States control over the Canal Zone. Using a

combination of force and rewards, the Torrijos government largely co-opted the students at the University of Panama, gaining considerable influence over the Federation of Panamanian Students (*Federación de Estudiantes Panameños—FEP*), the largest of several student federations. But relations between the government and student groups began to deteriorate in 1976, and a variety of competing student federations developed, notably the Federation of Revolutionary Students (*Federación de Estudiantes Revolucionarios—FER*), a group on the far left. Student groups were leaders in the opposition to ratification of the Panama Canal treaties, objecting largely to the continued presence of United States military bases in Panama.

Students and some teachers' groups played a major role in the 1987 protests. At least one university student was killed by the FDP, and the government closed the University of Panama twice and closed all secondary schools during the June protests. Periodic student protests took place throughout the year, frequently producing violent confrontations with the security forces. Although most student organizations were not part of the CCN, their growing opposition to the political role of the FDP and the policies of the government made the task of restoring order and stability even more difficult.

The Roman Catholic Church

Although Panama was nearly 90 percent Roman Catholic in the late 1980s, the church had a long tradition of noninvolvement in national politics (see Religion, ch. 2). Weak organization and a heavy dependence on foreign clergy (only 40 percent of the nation's priests were native-born Panamanians) inhibited the development of strong hierarchical positions on political issues. As a result, Panamanian politics largely avoided the anticlericalism that was so prevalent in much of Latin America. Church concern over social issues increased notably in the 1960s and 1970s, and there were conflicts between the hierarchy and the Torrijos government, especially following the disappearance in 1971 of a prominent reform priest, Father Héctor Gallegos.

In the late 1980s, the church hierarchy was headed by Archbishop Marcos Gregorio McGrath, a naturalized Panamanian citizen and a leader among the Latin American bishops. McGrath and the other bishops strongly supported Panama's claims to sovereignty over the Canal Zone and urged ratification of the Panama Canal treaties. Nevertheless, the church leadership also criticized the lack of democracy in Panama and urged a return to elected civilian rule. In 1985, as political tensions began to mount, the archbishop called

for an investigation into the murder of Dr. Hugo Spadafora and urged both the government and the opposition to enter into a national dialogue. When the 1987 disturbances began, the church stepped up its criticism of the government, accusing the military of having "beaten civilians without provocation" and of using "tactics to humiliate arrested individuals." Priests were frequently present at CCN rallies and demonstrations, and masses downtown became a focal point for some CCN activities. Priests also stayed with Díaz Herrera in his house after he issued his June 1987 charges against Noriega and the government, and when the house was stormed by the FDP and Díaz Herrera arrested, the bishops demanded his release and denounced government restrictions on the press. But the church stopped short of endorsing the CCN or calling for specific changes in the government and the FDP. Instead, it stressed the need for dialogue and reconciliation. The archbishop's insistence on pursuing a moderate, neutral course in the conflict did not satisfy all of the church leadership. In November two assistant bishops and a large number of clergy issued their own letter, denouncing government actions and urging changes in the conduct of the military. In late 1987, the church was becoming more active but was finding it difficult to agree on the manner and nature of that activity.

The Communications Media

The press, radio, and, more recently, the television of Panama have a history of strong political partisanship and rather low standards of journalistic responsibility. The government has subsidized some news outlets and periodically censored others. During most of the Torrijos era, the press and radio were tightly controlled but, following the ratification of the Panama Canal treaties, a significant degree of press freedom was restored. It was at this time that the most significant opposition paper, *La Prensa*, was founded.

Throughout the 1980s, conflicts between the government and the opposition media, notably *La Prensa*, escalated. The government and the FDP blamed *La Prensa* and its publisher, Roberto Eisenmann, Jr., for much of the negative publicity they received in the United States. The paper was attacked, its writers were harassed, and in 1986 Eisenmann fled to the United States, charging that his life had been threatened.

Events in 1987 increased the level of conflict between the government and the media. Strict censorship was instituted over all newspapers and radio and television news broadcasts. In response, three opposition papers suspended publication. Publication was resumed in late June, but in July the government closed *La Prensa* and the

two other papers, as well as two radio stations. The English-language *Panama Star and Herald*, the nation's oldest newspaper, was forced out of business. The government pressured remaining stations and newspapers to engage in self-censorship and attempted to crack down on foreign press coverage, expelling several correspondents. In October President Delvalle sent to the legislature a proposed press law that would have made the publishing of "false, distorted, or inexact news" a crime for which individual journalists would be held responsible. Even the pro-government media attacked this proposal, which the legislature rejected. Although there were indications that the opposition media would be allowed to re-open in 1988, it seemed unlikely that government efforts to control news coverage would cease.

Foreign Relations

Panama's strategic location, the traditional domination of both the economy and the political agenda by the canal, and the strong influence exerted by the United States throughout most of Panama's independent history have combined to magnify the importance of foreign policy in the nation's political life. From the signing of the Hay-Bunau-Varilla Treaty in 1903 until the ratification of the Panama Canal treaties in 1978, Panama's overriding concern, both domestically and internationally, was to gain sovereignty over the Canal Zone and control over the canal itself. Determined to obtain sovereignty over its entire national territory, but aware of the limitations posed by its weakness in comparison with the United States, Panama sought the support of other nations, particularly in multilateral forums, in its efforts to renegotiate the canal treaties. In pursuing this end, Panama gained an international visibility much greater than that of most nations of similar size.

Traditionally, all other foreign policy matters were subordinated to Panama's concern with the canal issue. Secondary emphasis was given to commercial interests in dealings with other nations. Vehicles of international trade, such as the Colón Free Zone, international banking, and shipping, were central factors in Panama's foreign economic relations. In the 1980s, the issue of the mounting foreign debt also had become the focus of increasing attention and concern.

The experience and visibility gained in the long effort to obtain international support for Panama's stance in the canal negotiations were carried over into the years following the signing of the new treaties, as exemplified by Panama's role in the 1978-79 Nicaraguan civil conflict and its participation in the Contadora peace process (see Glossary). Panama also has tried, with limited success, to

appeal to the same Latin American and Third World sentiments that won it support for its efforts to renegotiate the Panama Canal treaties to gain support in subsequent disputes with the United States. Although foreign policy concerns were not as dominant in the 1980s as in previous decades, they occupied a high priority for Panama's government and still centered on relations with the United States. This pattern was likely to persist until at least the year 2000.

Relations with the United States: The Panama Canal

United States and Panamanian relations on issues connected to the control, operation, and future of the canal were conducted within the framework of the 1977 Panama Canal treaties. The negotiation of these treaties took several years and aroused domestic political controversies within both nations (see *The Treaty Negotiations; The 1977 Treaties and Associated Agreements*, ch. 1). Negotiations were finally concluded in August 1977, and the following month the treaties were signed in Washington.

The treaties were ratified in Panama by slightly more than two-thirds of the voters in a national plebiscite. Ratification by the United States Senate was much more difficult and controversial and was not completed until April 1978. During the ratification process, the Senate added several amendments and conditions, notably the DeConcini Condition, which declared that if the canal were closed or its operations impaired, both the United States and Panama would "have the right to take such steps as each deems necessary . . . including the use of military force in the Republic of Panama, to reopen the canal or restore the operations of the canal." Despite an additional amendment, which specifically rejected any United States "right of intervention in the internal affairs of the Republic of Panama or interference with its political independence or sovereign integrity," the Senate's changes were met with strong protests from Panama, which never ratified the new amendments. Formal ratifications, however, were exchanged in June, and the treaties came into force on October 1, 1979.

To implement the provisions of the treaties establishing the new Panama Canal Commission, to regulate the conditions for canal employees, and to provide for the handling and disbursement of canal revenues, the United States Congress enacted Public Law (PL) 96-70, the Panama Canal Act of 1979. Several provisions of this act immediately became a focus for ongoing controversy between the two nations. Panamanians objected to provisions for the use of canal revenues to pay for early retirements for United States employees, to finance travel for education by the dependents



*A ship passes through the Panama Canal near the Culebra Cut
Courtesy Inter-American Development Bank*

of United States employees, and to provide subsidies to make up for any loss of earning power when, as required under the treaties, United States employees lost access to United States military commissaries. By 1986 Panamanian authorities were claiming that such provisions had cost their nation up to US\$50 million. The claim was largely based on the fact that Panama had not been receiving the up to US\$10 million annual contingency payment from Panama Canal Commission profits provided for by the treaties. The commission explained that this was because the surplus simply did not exist, a fact that Panama, in turn, attributed to provisions of PL 96-70.

The level of Panamanian complaints about PL 96-70 and the intensity of government charges of noncompliance by the United States in other areas were often influenced by the overall state of relations between the two nations. As tensions increased during 1986 and 1987, Panamanian complaints became more frequent and passionate. United States executive and congressional pressures and the suspension of aid that followed the June 1987 disturbances were portrayed by the government and its supporters as part of a United States plot to block implementation of the 1977 treaties and/or to maintain the United States military bases in Panama beyond the year 2000. In the months that followed, the government stepped up this campaign, attempting to link the opposition with elements in the United States Congress who allegedly were trying to overturn the treaties. Such charges, however, seemed more an effort to influence domestic opinion than a reflection of actual concerns over the future of the treaties.

Article XII of the Panama Canal Treaty provides for a joint study of "the feasibility of a sea-level canal in the Republic of Panama." In 1981 Panama formally suggested beginning such a study. After some discussion, a Preparative Committee on the Panama Canal Alternatives Study was established in 1982, and Japan was invited to join the United States and Panama on this committee. The committee's final report called for the creation of a formal Commission for the Study of Alternatives to the Panama Canal, which was set up in 1986. Although there was a general perception that the costs of such a canal would outweigh benefits, the commission was still studying the problem in late 1987, and further action in this area would await the conclusion of its labors.

One continuing bone of contention related to the treaties was the presence and function of United States military bases in Panama (see *United States Forces in Panama*, ch. 5). United States military forces in Panama numbered slightly under 10,000. The United States military also employed 8,100 civilians, 70 percent of whom

were Panamanian nationals. In addition to the units directly involved in the defense of the canal, the United States military presence included the headquarters of the United States Southern Command, responsible for all United States military activities in Central and South America, the Jungle Operations Training Center, the Inter-American Air Forces Academy, which provided training for Latin American air forces, and the Special Operations Command-South. Until 1984 Panama also was home to the United States Army School of the Americas, which trained Latin American army officers and enlisted personnel, but the facility housing that institution reverted to Panama in 1984, and when negotiations with Panama over the future of the school broke down, the United States Army transferred the operation to Fort Benning, Georgia.

Issues involving the United States military presence included the possible retention of some bases beyond the year 2000, the use of the bases for activities not directly related to the defense of the canal, most notably allegations of their use in support of operations directed against Nicaragua's government, and, since June 1987, charges by the United States of harassment and mistreatment of United States military personnel by Panamanian authorities. There were also problems relating to joint maneuvers between United States and Panamanian forces, exercises designed to prepare Panama to assume responsibility for the defense of the canal (see Canal Defense, ch. 5). These maneuvers were suspended in 1987, in part because of a United States congressional prohibition on the use of government funds for "military exercises in Panama" during 1988.

Despite such problems, the implementation of the 1977 treaties has continued on schedule and the United States has stated repeatedly its determination to adhere to the provisions and transfer full control of the canal to Panama in the year 2000. An October 1987 effort to amend the fiscal year (FY) 1988 foreign relations authorization act to include a sense of the Senate resolution that the United States should not have ratified the treaties and that they should be voided if Panama refused to accept the DeConcini Condition within six months was defeated by a vote of fifty-nine to thirty-nine. Barring a much higher level of turmoil in Panama that would directly threaten canal operations, it appeared highly likely that the canal would become fully Panamanian in the year 2000.

Other Aspects of Panamanian-United States Relations

Panamanian relations with the United States, in areas other than those related to the canal, have undergone increasing strains since

the 1985 ouster of President Ardito Barletta. The United States protested this action by reducing economic assistance to Panama and began pressuring Panama to reform its banking secrecy laws, crack down on narcotics trafficking, investigate the murder of Spadafora, and reduce the FDP's role in the government. When these points were raised by United States ambassador-designate to Panama Arthur Davis in his confirmation hearings, Panamanian officials issued an official complaint, claiming that they were the victim of a "seditious plot" involving the United States Department of State, Senator Jesse Helms, and opposition politicians in Panama.

Additional problems continued to arise throughout 1986 and early 1987. In April 1987, the United States Senate approved a nonbinding resolution calling for a 50-percent reduction in assistance to Panama because of alleged involvement by that nation's officials in narcotics trafficking. The Panamanian legislature responded with a resolution of its own, calling for the withdrawal of Panama's ambassador in Washington. Hearings on Panama held by Senator Helms produced further controversy, especially when a Senate resolution called on the United States Central Intelligence Agency to investigate narcotics trafficking in Panama. Again Panama protested. The FDP issued a resolution accusing Helms of a "malevolent insistence on sowing discord," and the Panamanian representative to the Nonaligned Movement's meeting in Zimbabwe charged that the United States was not fulfilling the Panama Canal treaties.

Continued United States pressure in such areas as human rights, political reform, narcotics trafficking, and money laundering, as well as conflicts over economic matters, including a reduction in Panama's textile quota, kept relations tense during the first months of 1987. In March Panama issued an official protest, charging the United States with exerting "political pressures damaging to Panama's sovereignty, dignity, and independence." This, however, did not deter Senate passage, a few days later, of a nonbinding resolution rejecting presidential certification of Panamanian cooperation in the struggle against the drug trade. President Ronald Reagan's certification that Panama was cooperating in the struggle against drug trafficking was based on some Panamanian concessions on bank secrecy laws and a highly publicized narcotics and money-laundering sting operation (see Finance, ch. 3; Involvement in Political and Economic Affairs, ch. 5).

The deterioration in relations accelerated following the outbreak of disturbances in June 1987. United States calls for a full investigation of the allegations made by Díaz Herrera and for movement

toward "free and untarnished elections" led to Panamanian charges of United States interference in its internal affairs.

The Legislative Assembly adopted a resolution demanding the expulsion of the United States ambassador, and the head of the PRD charged that United States pressures were part of a plot "not to fulfill the obligations of the Carter-Torrijos Treaties" and were also designed "to get Panama to withdraw from the Contadora Group." Panama took its protest over United States policy and the Senate resolution to the Organization of American States (OAS), which on July 1 adopted, by a vote of seventeen to one with eight abstentions, a resolution criticizing the Senate resolution and calling for an end to United States interference in Panama's internal affairs. On June 30 a government-organized mob attacked the United States embassy, inflicting over US\$100,000 in damages. The United States responded by suspending economic and military assistance until the damage was paid for. Panama apologized for the attack and, at the end of July, paid for the damage, but the freeze on United States assistance remained in effect as a demonstration of United States displeasure with the internal political situation.

Relations between the two nations failed to improve during the balance of 1987. Attacks on United States policies by pro-government politicians and press in Panama were almost constant. The actions of the United States ambassador were an especially frequent target, and there were suggestions that he might be declared *persona non grata*. There was also a growing campaign of harassment against individual Americans. In September the economic officer of the United States embassy was arrested while observing an antigovernment demonstration. The following month, nine American servicemen were seized and abused under the pretext that they had been participating in such demonstrations. United States citizens driving in Panama were repeatedly harassed by the Panamanian police. Restrictions also were increased on United States reporters in Panama.

For its part, the United States kept up pressure on Panama. In August 1987, the secretary of state announced that the freeze on United States aid would remain in effect, despite Panama's having paid for the damage done to the embassy. In November the United States cancelled scheduled joint military exercises with Panama. In December Congress adopted a prohibition on economic and military assistance to Panama, unless the United States president certified that there had been "substantial progress in assuring civilian control of the armed forces," "an impartial investigation into allegations of illegal actions by members of the Panama Defense

Forces," agreement between the government and the opposition on "conditions for free and fair elections," and "freedom of the press." The same bill suspended Panama's sugar quota until these conditions were met (see Crops, ch. 3). Panama responded by ordering all personnel connected with the United States Agency for International Development mission out of the country.

At the end of 1987, United States-Panamanian relations had reached their worst level since at least 1964. On the United States side, there was a high degree of agreement between the executive branch and the Congress that fundamental changes in both the domestic and international behavior of Panama's government were needed. There was little sign of movement toward resolving any of the basic issues that divided the two nations, and it appeared that this deadlock would continue until there was a change in the Panamanian leadership's position or composition.

Relations with Central America

Although it is part of the same geographic region as the countries of Central America (see Glossary), Panama historically has lacked strong political and economic ties with the five nations immediately to its north. Panama was not a member of either the Central American Common Market or the Central American Defense Council, although it did have observer status with the latter body. Under the rule of Torrijos, however, Panama actively sought to expand its contacts with Central America. At first, much of this was related to the effort to gain support in negotiations with the United States over a new canal treaty. During the Nicaraguan civil conflict of 1978-79, Torrijos gave political and military support to the Sandinista guerrillas seeking to overthrow the dictatorship of Anastasio Somoza. At the June 1979 OAS foreign ministers meeting on Nicaragua, Panama allowed the foreign minister-designate of the Sandinista-organized provisional government to sit with the Panamanian delegation. After the Sandinistas took power, Torrijos offered to train their military and police forces. But the Panamanian mission soon found itself reduced to training traffic police, and Torrijos, frustrated by growing Cuban influence in Nicaragua, withdrew his advisers. Since then, Panamanian relations with Nicaragua have been of lessened importance. Panamanian leaders have criticized United States efforts directed against the Sandinistas, but they also have criticized Sandinista policies. Nevertheless, during the June 1987 crisis in Panama, Nicaraguan President Daniel Ortega visited Panama, and the Nicaraguan government expressed strong support for Delvalle and Noriega.

Torrijos also had attempted to influence internal events in El Salvador, where he supported the reform efforts of Colonel Adolfo Majano, a military academy classmate of his, who had been named to the ruling junta in 1979. But Majano was removed from power in 1980 while visiting Panama, largely ending Panamanian influence in that nation.

Relations with Costa Rica were cool for several decades, following a 1921 settlement of the border dispute between the two nations, a settlement that Panama viewed as largely unfavorable to its interests. The opening of the Pan-American Highway between the two nations led to an increase in commercial ties and contributed to a steady strengthening of bilateral relations in the 1960s and 1970s. During the 1978-79 Nicaraguan civil conflict, Panama offered to help defend Costa Rica's northern border from incursions by Nicaraguan forces, and, during the war's last months, then Costa Rican president Rodrigo Carazo and Torrijos worked closely together to facilitate the flow of supplies to the Sandinista insurgents. Cordial relations were maintained with Carazo's successor, Luis Alberto Monge, but numerous problems have emerged since Oscar Arias became president of Costa Rica in 1986. These began with the discovery, in Costa Rican territory, of the mutilated body of leading Panamanian critic Spadafora. Commercial disputes also began to disrupt trade. Early in 1987, the two nations signed an agreement to regulate commerce in the border region, but a few days later, Panama closed the border, claiming that Costa Rica was violating the agreement. The border was reopened after a few days, and in March presidents Delvalle and Arias signed an agreement designed to deal with commercial problems and to promote cooperation in areas such as health and education. Costa Rican press criticism of Panamanian government policy following the June disturbances, however, led to a cooling in relations. In December the Panamanian ambassador to Costa Rica charged that United States and Costa Rican officials were plotting to organize an invasion of Panama and to assassinate Noriega. Costa Rica rejected the charges, for which no supporting evidence was produced. Although this issue soon faded, relations between the two nations at the end of 1987 were less cordial than they had been in preceding years.

Reflecting both the growth of Panamanian involvement in Central American affairs and the expanded international role that the nation has sought was Panama's participation in the Contadora peace process (see Glossary). In January 1983, Panama invited the foreign ministers of Mexico, Venezuela, and Colombia to meet at the island resort of Contadora to discuss ways of mediating the

conflicts in Central America. The result was the formation of the Contadora Group, a four-nation effort to promote a peaceful resolution of Central American conflicts. Although Panama's role in the mediating process was not so prominent as that of some of the other nations, it did give Panama increased visibility and prestige in international relations. Panama was also the site for many of the group's meetings with Central American representatives. Although the Contadora peace process failed to produce the hoped-for peace treaty, and, since 1987, has taken a backseat to the peace proposals of Costa Rica's president Arias, the Contradora Group still exists and, under the Arias Plan, could play a significant role in dealing with security issues involving Central American states.

Bilateral Relations with Other Nations

The number of nations with which Panama maintains formal diplomatic relations expanded during the 1970s, in part because of the campaign to renegotiate the canal treaties and in part because of its role as a commercial, banking, and trading center. During the 1980s, economic difficulties contributed to slowing, but not reversing this trend toward expanded international contacts. In most cases, the focus on bilateral relations was on economic issues, with political matters more frequently addressed through multilateral forums.

Relations with Cuba have been a subject of some controversy, both within Panama and in Panama's relations with the United States. Panama broke relations with Cuba in the 1960s, but re-established them in the early 1970s, and by the end of the decade, Cuba's diplomatic mission in Panama City was second only to that of the United States in the number of its personnel. Torrijos openly solicited Cuban support during the canal negotiations, but Cuban-Panamanian relations generally have been based more on commercial than political grounds. During the 1970s, Cuba made extensive use of the Colón Free Zone to obtain materials that the United States trade embargo of Cuba made it difficult to obtain directly.

Relations with Cuba have been a side issue in disputes between Panama and the United States. Cuba has openly supported Noriega and attempted to portray criticisms of the general as part of a United States plot to sabotage the Panama Canal treaties. The United States, for its part, has accused Panama of participating in the illegal shipment of American high-technology equipment to Cuba.

Panama's relations with its southern neighbor, Colombia, have never been close since Panama broke away from Colombia and declared its independence (see *The 1903 Treaty and Qualified Independence*, ch. 1). Part of this coolness was a function of poor

communications; the border area is wild and thinly populated and represents the last gap in the Pan-American Highway system (see fig. 8). Relations have been strained by Panamanian concerns that Colombian settlers and guerrillas were moving into areas on the Panamanian side of the border and by the prevalent belief in the Colombian military that Panama was supporting Colombian guerrilla groups.

Relations with other states of Latin America and the Caribbean were of lesser importance in the late 1980s. There was some strengthening of ties with Venezuela in the 1970s, spurred by the economic resources available to Venezuela as a result of the rise in oil prices. But the precipitous fall in oil prices in the mid-1980s damaged the Venezuelan economy and reduced the Panamanian incentive to seek any further expansion of existing ties. Panama sought to expand its ties with the smaller Caribbean states in the late 1970s and early 1980s. It even undertook the training of police in Grenada. But the more active United States presence in the area, signaled by the Caribbean Basin Initiative and the 1984 Grenada intervention, undercut this effort, which, in any case, was limited by economic, cultural, political, and linguistic factors.

Relations between Panama and Canada, Western Europe, and Japan were largely commercial in nature. Relations with Western Europe were somewhat complicated by ties between West European political parties and opposition groups in Panama. These links have been an increasing problem in relations with the Federal Republic of Germany (West Germany), whose Christian Democratic Party maintained close ties with Panama's opposition Christian Democrats. Relations with Japan have assumed growing importance, in part because of Japan's participation on the Commission for the Study of Alternatives to the Panama Canal.

Panama has long maintained close ties with Israel and, in 1987, Delvalle made a state visit to that nation. Nevertheless, late in 1987 Panama indicated an interest in expanding contacts with Libya, with which it had no formal diplomatic relations, and some officials expressed the hope that Libya could become a major source of financial assistance. It was, however, unclear whether this was a serious proposal or simply a tactic in Panama's ongoing dispute with the United States.

Panama had no formal diplomatic relations with the Soviet Union or China. In the case of China, this situation was because of Panama's maintenance of diplomatic relations with the government on Taiwan. Interest in expanded ties with socialist and communist nations has, however, increased, fueled by the fact that the Soviet Union has become the third largest user of the canal. In March

1987, Panama and Poland initiated a broad program of educational, scientific, and cultural cooperation. That same month, the president of Panama's Legislative Assembly visited the Soviet Union, but Panama denied that this was a prelude to establishing diplomatic relations. In December Panama gave the Soviet airline Aeroflot permission to begin regular flights to Panama, but once again denied that it was planning to open formal diplomatic relations.

Multilateral Relations

Panama has long emphasized the role of multilateral forums and bodies in its foreign relations, using them to enhance its prestige, secure economic assistance, and marshall support for its dealings with the United States. In 1973 the UN Security Council held a meeting in Panama to discuss the canal issue, and the Panama Canal treaties were signed in a special ceremony at the OAS.

Panama has been an active member of the OAS since its inception. It repeatedly has used this forum to criticize United States policies, especially those regarding the canal, and to seek Latin American support for its positions. That this trend has continued was demonstrated by the 1987 OAS resolution criticizing United States interference in Panama's internal affairs.

The UN provided Panama with a platform from which it was able to address a broader audience. In 1985 Panama's vice president, Jorge Illueca Sibauste, served as president of the UN General Assembly. Within the UN, Panama frequently adopted a position on economic matters similar to that of other small, Third World nations. On political matters, it generally took a position closer to that of the United States, but it did break with the United States over the Falkland/Malvinas Islands issue in 1982 and was openly critical of United States Central American policy. In both cases, Panama sponsored resolutions in the UN Security Council that were at variance with United States policy. Over time, the trend has been to move slowly away from the positions held by the United States and toward those of the Nonaligned Movement.

Panama was an active member of the Nonaligned Movement and acted in it much as it did in the UN. Other multilateral organizations in which Panama maintained an active participation were the General Agreement on Tariffs and Trade and the United Nations Conference on Trade and Development.

Dealings with international financial organizations and problems connected with Panama's debt formed a major part of Panama's foreign policy agenda. In 1987 Panama took part, with seven larger Latin American nations, in a major economic summit in Acapulco,

Mexico. Efforts to use this forum to win support in its conflicts with the United States were largely unsuccessful, but Panama did contribute to the discussion of the debt crisis and supported the group's resolutions, which were highly critical of Western economic policies. Panama has borrowed extensively from the World Bank (see Glossary), the IMF, and the Inter-American Development Bank, a practice that may be jeopardized by its dispute with the United States. Panama's 1985-87 agreement with the IMF has expired, and the World Bank has suspended payments on a major structural adjustment loan because of Panama's failure to comply with a mandated austerity program.

Foreign Policy Decision Making

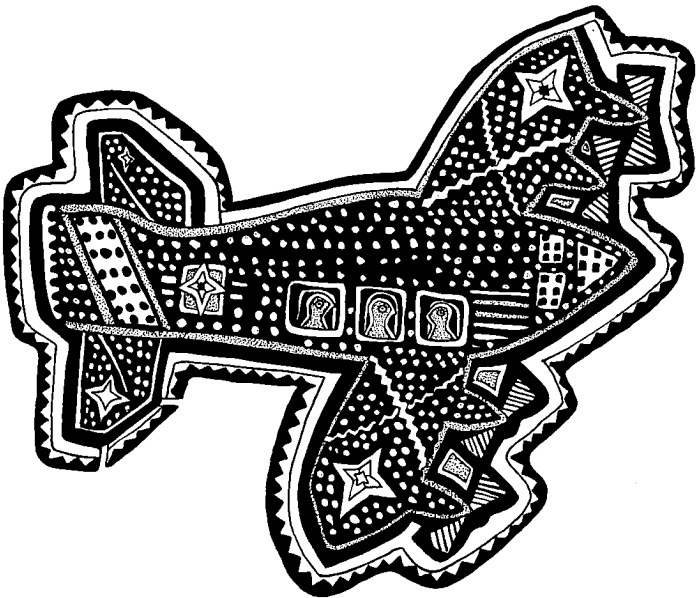
Article 179 of Panama's Constitution gives the president, with the participation of the minister of foreign relations, the power to "direct foreign relations, to negotiate treaties and public conventions, which will then be submitted to the consideration of the Legislative Organ, and to accredit and receive diplomatic and consular agents." In practice, however, the president's role in foreign policy was circumscribed by several factors. The most significant was the dominant influence of the FDP and its commander. No major foreign policy initiatives were possible without FDP approval. Torrijos began the practice, continued by Noriega, of direct military involvement in foreign policy matters without going through, or even necessarily consulting, the civilian political structure. The official party, the PRD, also played a role, both in selecting the foreign minister and in the Legislative Assembly, where it held an absolute majority. There, resolutions frequently were passed on matters of foreign policy. Although such resolutions lacked the force of law, their passage complicated the policy process.

The foreign ministry had a core of professional, career employees, but the post of foreign minister and most of the key ambassadorial appointments were filled by political appointees. The ministry itself played largely an administrative, rather than a decision-making, role in the policy process. Its authority was somewhat greater in commercial matters than in political matters. Internally, it was organized into a number of directorates for various world regions plus one for international organizations. In the past, various interests groups, such as CONEP and university students, were able to exercise some influence over foreign policy, but growing internal political polarization largely negated their influence.

* * *

The debate over the Panama Canal treaties generated a large body of literature on the canal and on United States-Panamanian relations, but little of this deals with internal Panamanian affairs. Panama's national politics remain among the least studied of any Latin American nation. Basic documents include the *Constitución Política de la República de Panamá de 1972: Reformada por los Actos Reformatorios de 1978 y por el Acto Constitucional de 1983* and the *Código Electoral de la República de Panamá y Normas Complementarias* as well as the 1977 *Panama Canal Treaty* and the associated *Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal* (for text of treaties, see Appendix B). A first-person account of the negotiation and ratification of the treaties is William J. Jorden's *Panama Odyssey*, while a more analytical study is provided by William L. Furlong and Margaret E. Scranton in *The Dynamics of Foreign Policymaking*. The best studies of internal Panamanian politics are those of Steve Ropp. Rapidly changing events have made his 1982 book *Panamanian Politics: From Guarded Nation to National Guard* somewhat dated, but his subsequent articles in *Current History* fill in some of the gaps. Also useful are Thomas John Bossert's "Panama" in *Confronting Revolution*, edited by Morris J. Blachman, William M. Leogrande, and Kenneth Sharpe, and the 1987 *Report on Panama: Findings of the Study Group on United States-Panamanian Relations* published by the Johns Hopkins University School of Advanced International Studies. Opposition views of recent events are available in articles by Guillermo Sanchez Borbón and Ricardo Arias Calderón. The United States Congressional hearings on Panama held in 1986 and 1987 also provide valuable information, as does the annual "Political Risk Report: Panama," produced by Frost and Sullivan of New York. (For further information and complete citations, see Bibliography).

Chapter 5. National Security



Cuna Indian mola design of a United States Air Force airplane

ACCORDING TO the 1983 amended version of the 1972 Constitution of the Republic of Panama, the national defense and public security of the country are the responsibility of the Panama Defense Forces (Fuerzas de Defensa de Panamá—FDP). Before the FDP was created in 1983, a paramilitary organization called the National Guard had handled national security functions. After the 1968 military coup that brought General Omar Torrijos Herrera to power, the National Guard became the dominant political institution in the country. This legacy of military involvement in politics continued after Torrijos's death in 1981, even though the political system was ostensibly transformed from a military dictatorship into a civilian democracy, and the National Guard replaced by the FDP.

Negotiation of the Panama Canal treaties during the late 1970s led to changes in Panama's national security system. When the Canal Zone was integrated into the republic, people began to think of their country as a single territorial entity. This changed attitude was reflected in the military segments of the National Guard, which moved to make the institution less a police force and more a true national army capable of defending the expanded national territory. The implementation agreements of the treaties referred to the "Panamanian Armed Forces," rather than to "Panama's police force" or "Panama's paramilitary force," as had been done in the past. Transformation of the National Guard into a national army was accomplished in 1983, when legislation was passed creating the FDP.

The treaties also stimulated creation of a national army by reducing United States responsibility in Panama. Since the early 1900s, the armed forces of the United States had provided the primary defense of the Canal Zone and, in effect, of Panama itself. The treaties mandate cooperation and coordination in the protection and defense of the canal until December 31, 1999, when the United States is to withdraw its troops. After 1999 Panama will be fully responsible for the operation, but the United States will continue to share responsibility for the defense of the canal.

By the mid-1980s, the strength of the FDP was estimated at around 15,000, including the Ground Forces, composed of infantry battalions and companies equivalent in size to a small army or United States infantry brigade. Other major segments were the Panamanian Air Force, National Navy, Police Forces, and National Guard. The FDP was theoretically administered through the Ministry of Government and Justice; there was no ministry of defense.

Internal security problems, however, grew in the 1980s. By 1987 widespread concern over the lack of democratic institutions had generated major challenges to government authority. The integrity of the Panamanian system of justice was broadly questioned as well as the personal ethics of highly placed government officials. Newspapers in Panama and the United States reported widespread drug trafficking within the country and implicated the FDP. Panama was alleged to be both a transshipment point for the movement of drugs from South America to North America and a banking haven for laundering funds. The volume of such activity was not documented, however. In response to a general strike and widespread public disturbances, the government declared a state of emergency (subsequently lifted) and temporarily suspended articles of the Constitution guaranteeing basic rights such as freedom of speech and assembly.

Historical Background

On November 18, 1903, Secretary of State John Hay, representing the United States, and Special Envoy Philippe Bunau-Varilla, representing the Republic of Panama, signed an agreement that became known as the Hay-Bunau-Varilla Treaty. According to Article I of that treaty, the United States guaranteed Panamanian independence (see *The 1903 Treaty and Qualified Independence*, ch. 1). With that kind of insurance, the rulers of the new republic did not need to be concerned about developing armed forces.

When the country gained its independence, an oversized battalion of former Colombian troops under the command of General Estéban Huertas became the Panamanian army. Huertas and his soldiers had favored the independence movement and had switched their allegiance from Colombia to Panama. The general was named commander in chief of the small army and became one of Panama's most prominent citizens; however, when he tried to give orders to the new republic's first president, Manuel Amador Guerrero, the general was forced into retirement, and the army was demobilized. Although Huertas failed in his attempt to use the armed force as a political instrument, he established a precedent for such attempts.

To replace the disbanded army, the Corps of National Police was formed in December 1904 and for the next forty-nine years functioned as the country's only armed force. The government decree establishing the National Police authorized a force of 700, and the tiny provincial (formerly Colombian) police force that had been operating since independence was incorporated into the new organization. The corps was deployed territorially, and by 1908

its overall strength had risen to 1,000. The heaviest concentration of forces was (and has continued to be) in the Panama City area. For many years strength fluctuated, but generally remained close to 1,000 depending on budgetary allowances. There were, however, massive turnovers of personnel as new political regimes came to power and used positions in the police corps as patronage plums. By the 1940s some stability had been achieved, but it was not until the presidency of José Antonio Remón in the early 1950s that institutionalization of the corps took place, and the National Police was designated the National Guard.

The emergence of the National Guard and its successor institution, the FDP, as powerful actors in domestic politics is inextricably intertwined with the professional military career of Colonel Remón. Born in 1908 to a middle-class family, he studied at the then prestigious National Institute, which served as the training ground for sons of wealthy families. Upon graduation, he received a scholarship to attend the Mexican Military Academy, and he graduated from there in 1931. Because few Panamanian police officers at that time had academy training of any sort, he entered the National Police as a captain. By 1947 he had become commandant of police.

Remón's ability to convert the police into an important political force resulted not only from his personal and professional skills but also from the nature of Panamanian politics during the late 1940s and early 1950s (see *The National Guard in Ascendance*, ch. 1). As a military academy graduate, Remón realized the limitations of a police force both as an organization commanding national respect and as an instrument for wielding political power. In 1953, therefore, he created the National Guard.

During the 1950s and 1960s, the National Guard was militarized and professionalized, largely with United States aid under the Mutual Security Act. This trend away from the police roots and toward increased military status accelerated during the 1960s, as a result of the perceived threat from Fidel Castro's Cuba. More Panamanian officers and enlisted personnel were trained at United States facilities in the Canal Zone, and military assistance increased dramatically during the 1960s.

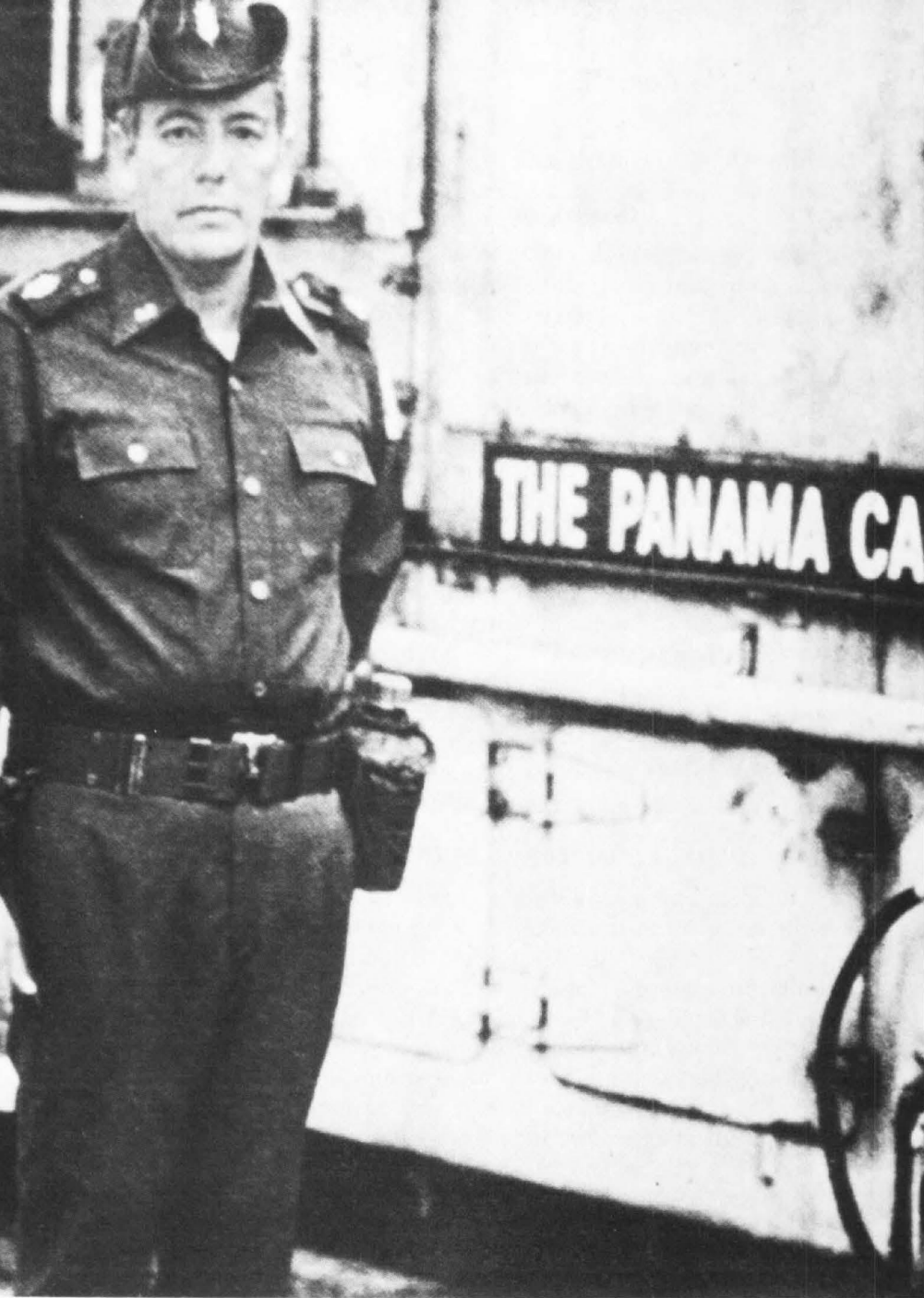
Remón was assassinated in 1955, but the legacy of militarization that he passed on to his successor, General Bolívar Vallarino, had culminated by the late 1960s in the formation of a National Guard that was increasingly sure of its professional identity and no longer averse to becoming involved in politics. Total force strength reached 5,000 with an officer corps of 465; an increasing number of officers had received academy training. Although police

work still predominated and many officers were promoted from the ranks of "street cops," middle-ranking officers such as Torrijos were increasingly drawn from the small but growing band of academy graduates. Within the National Guard, there were more positions requiring officers with formal military training. For instance, a special public-order force was created in 1959, in response to an amphibious invasion launched from Cuba by a small group of armed Panamanians. New rifle companies were formed during this same period, the prototypes of the contemporary FDP combat battalions formed in the 1980s.

In spite of all these changes in Panama's military institution, it was not until the coup of 1968 and the political ascendancy of Torrijos that the National Guard began to make a lasting imprint on the socioeconomic structure of the country. With the death of Remón in 1955, the role of the armed forces in mobilizing the lower classes against the urban commercial elite had been curtailed, and politics were once again controlled by the oligarchy. Torrijos changed that, introducing a populist brand of politics as well as further expanding and professionalizing the National Guard (see *The Government of Torrijos and the National Guard*, ch. 1).

During the Torrijos years (1968-81), rank structure within the National Guard allowed control by a single military leader in the tradition of Remón and Vallarino. This phenomenon of a single institutional leader may have resulted because the police and National Guard had traditionally been institutions with low esteem and few links to the national political system. Regardless of the reason, Torrijos was the only general, the positions on the general staff being occupied by lieutenant colonels. Torrijos controlled the National Guard through a highly centralized administrative structure. Although there were by now a number of light infantry companies and other units with some combat potential, Torrijos managed to exercise independent control over all of the infantry companies and all officer assignments. During the Torrijos years, the National Guard was still small enough for Torrijos to maintain a close and personal working relationship not only with members of the officer corps but also with enlisted personnel.

From 1968 until Torrijos's death in 1981, the National Guard continued the expansion, militarization, and professionalization that had begun under Remón in the late 1940s. Furthermore, dramatic changes took place in officer recruitment and training. During the 1950s and 1960s, most academy-trained officers entering the National Guard were members of the lower-middle class who had received their military training in Mexico and other countries in Central America; Torrijos himself was schooled in El Salvador.



Brigadier General Omar Torrijos Herrera

During the 1970s, more junior officers attended South American academies, such as those in Brazil, Peru, Chile, Venezuela, and Argentina.

Since World War II, Panama had maintained close security ties to the United States, and that country had assisted in the development of Panama's military institutions. Panama had been one of the twenty original signatories to the 1945 Act of Chapultepec, binding the countries of Latin America and the United States to a mutual defense agreement by which all were to respond to an external attack against any one. Two years later, most of the same countries (including Panama) signed the Inter-American Treaty of Reciprocal Assistance (Rio Treaty), which also provided for mutual defense against external attack, but further bound the signers to peaceful arbitration of disputes arising among member states. In 1948 the charter of the Organization of American States (OAS) incorporated the provisions of the Rio Treaty. Panama also signed the Treaty for the Prohibition of Nuclear Weapons in Latin American (Tlatelolco Treaty) in 1967, an agreement that prohibited the deployment of nuclear weapons in Latin America. A bilateral military assistance pact existed between the United States and Panama and, under the Panama Canal treaties, the two countries pledged themselves to the joint defense of the Panama Canal.

Missions and Organization of the Defense Forces

On September 29, 1983, a new law—Law 20—created the FDP as the successor institution to the National Guard. The law simultaneously repealed all previous legislation relating to the organization, mission, and functions of the Panamanian armed forces, including Law 44 of December 23, 1953, and Law 50 of November 30, 1958. Opposition parties strongly criticized the new law, claiming that it “implies the militarization of national life, converts Panama into a police state, makes the members of the armed forces privileged citizens, and gives the commander of the National Guard authoritarian and totalitarian power.” However, the Defense Forces' commander in chief, General Manuel Antonio Noriega Moreno, claimed that the change in the law was necessary in order to confront the deteriorating security situation in Central America and to prepare the military for its growing role in defending the Panama Canal.

The functions of the FDP stated in the organic law were very broad, giving it an increasing role and bringing other organizations under its control. Major functions included protecting the life and property of Panamanians and foreigners living in Panama; cooperating with civilian authorities to guarantee individual rights

in the republic; preventing crime; defending the Panama Canal in cooperation with the United States as specified under terms of the treaties; regulating traffic; and cooperating with civilian authorities in the areas of drug trafficking, contraband, and illegal immigration.

The new organizational structure established by the 1983 law created a "public force" that brought a broad array of institutions under a single operational command. The FDP encompassed the General Staff, Military Regions and Zones, Ground Forces, Panamanian Air Force, National Navy, Police Forces, and National Guard. In addition, the FDP would include any institution created in the future that might perform functions similar to the institutions listed above. One effect of these changes was to reduce the National Guard to only one of a number of co-equal military institutions within the FDP structure that was bound together, as the Guard had been, through a single command and commander in chief (see fig. 10).

Although the Constitution designates the president of the republic as the supreme chief of the FDP, this role is largely symbolic. The law specifies that he "will exercise his command by means of orders, instructions, resolutions, and regulations which will be transmitted through the commander in chief." The FDP enjoyed administrative autonomy that in effect allowed it to determine its own internal procedures in regard to personnel policies, disciplinary sanctions against FDP members, organizations created to further the social welfare of members, and recommendations for the defense budget.

Since there was no role for civilian officials in determining FDP policy and the organization was under a single military command, the law itself provided the only parameters for the commander in chief's role. The duties of the commander in chief were very broad and sometimes simply restated duties assigned to the FDP as a whole. The commander in chief was charged, for example, with adopting "measures needed to guarantee the security of inhabitants and their property and the preservation of the public order and social peace." The commander in chief was also required to keep the president abreast of any developments in the area of national security and to participate in all modifications of the law that would affect the FDP.

Within the FDP, the commander in chief was responsible for promotions, transfers, and awarding military decorations. He supervised disciplinary measures and was to improve "the moral and material condition of the institution as well as the cultural and intellectual condition of its members." The president of the republic could replace the FDP's top officer in case of retirement, death,

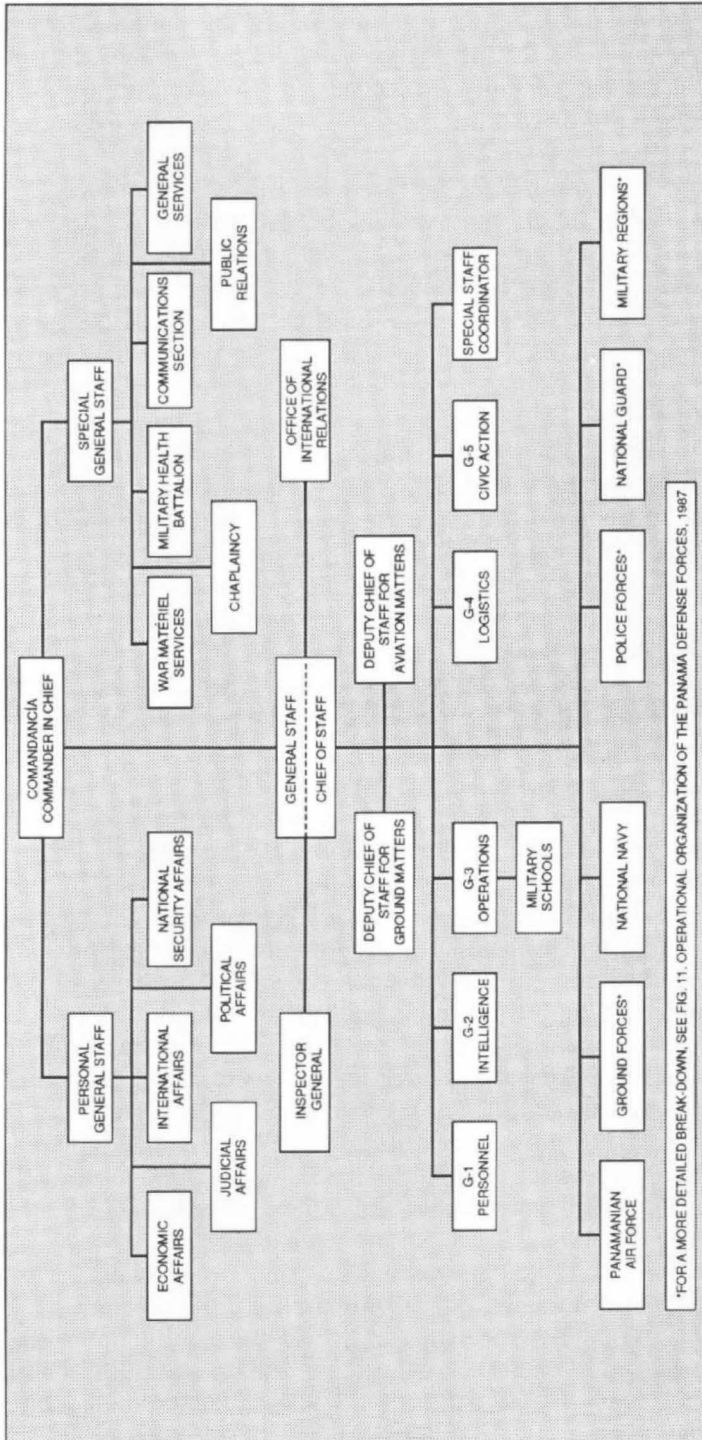


Figure 10. Organization of the Panama Defense Forces, 1987

disobedience of orders that were supported by constitutional provisions, and personal incapacity.

The General Staff

Article 36 of the 1983 law stated that “The commander in chief of the Defense Forces . . . will have an advisory body comprised of officers with the rank of general, colonel, and lieutenant colonel.” This advisory body was called the General Staff, and its members were appointed by the commander in chief. The primary task assigned to the General Staff was to help the commander in chief with planning in the areas of military operations, training, and administration.

The structure of the General Staff of the FDP was inherited from its predecessor, the National Guard. The General Staff was structured in approximately the same way as a United States Army staff at division level or above. The basic similarity was in the section breakdown, that is, G-1, Personnel; G-2, Intelligence; G-3, Operations; G-4, Logistics; and G-5, Civic Action. There were a chief of staff and two deputy chiefs of staff, who obviously occupied positions of extreme importance within this highly centralized command structure. In June 1987, the position of vice chief of staff was spilt into two new positions: the deputy chief of staff for ground matters, who served concurrently as G-3, and the deputy chief of staff for aviation matters, who also occupied the G-5 position. The chief of staff, deputy chiefs of staff, and assistant chiefs were all full colonels.

In addition to the General Staff, there were two other structures at the level of the general command. There was a Special General Staff that incorporated the War Matériel Services, Military Health Battalion, Communications Section, General Services, Chaplaincy, and Public Relations. There was also a Personal General Staff supplying advice to the commander in chief on an “as needed” basis. The Personal General Staff included five sections: Economic Affairs, Judicial Affairs, International Affairs, Political Affairs, and National Security Affairs. The Personal General Staff seemed to institutionalize the involvement of the FDP in a wide range of civilian policy matters—an involvement that can be traced back to the days when Torrijos commanded the National Guard. Noriega commented that the new staff structure initiated with passage of the 1983 law furthered the goal of “performing our mission more effectively and realistically in conformance with the geopolitical situation from which Panama cannot escape” and pointed to “the formation of a new Personal General Staff of the Commander” This staff functioned in essence as an in-house National Security Council.

Military Zones

Organizational descriptions of the Defense Forces included a structure of four military regions within which the military zones operated (see fig. 11). In 1987, however, these regions existed only on paper. Noriega had referred to the military regions as areas "which constitute the strategic triangles of national security," but their eventual activation was thought to be linked to the further elaboration and expansion of Panama's four combat battalions.

During the 1950s and 1960s, when the National Guard was still primarily a police force, the military zones together with the General Staff were the heart of the institution. Commanders of the ten military zones into which the country was then divided were powerful figures who often served as *de facto* provincial governors. Usually holding the rank of major, they could expect their next assignment to be command of another zone or a position on the General Staff, then largely composed of lieutenant colonels. When the National Guard gave way to the FDP, the zone commanders' role remained significant even though the 1983 law made no specific provision for military zones; it simply stated, "The internal regulations of the Defense Forces . . . can divide the territory . . . into regions, military zones, detachments, districts, or any other form of division suitable for the better exercise of institutional functions"

In the mid-1980s, zone commanders continued to be regarded as the most powerful individuals in the provinces, surpassing by far the importance of the provincial governors. They controlled political, military, and economic affairs in the zones, and they rather than the governors settled labor disputes and strikes. Within the FDP, the zone commanders, generally holding the rank of major, were also significant. They were personally selected by the FDP commander and were directly responsible to him. Military units headquartered within the zones, including the emergent combat battalions, appeared to be fully integrated into the zones and thus firmly under the control of the zone commanders. The Fifth Military Zone, for example, was the home base of the Peace Battalion, whose commander reported directly to the zone commander.

There were twelve military zones in 1987, the most recent having been created in 1986 in the Comarca de San Blas (see fig. 1). This area had traditionally exercised considerable territorial autonomy as the home of the Cuna Indians (see *Indians*, ch. 2). Their traditional suspicion of the Guard (and their attempt to insulate themselves from Hispanic politico-military influence) was partially overcome in the 1980s, when more Indians entered the military, and as a result of increased encroachment on their territory by

Colombians and settlers from other parts of Panama. Nevertheless, the creation of the Twelfth Military Zone became acceptable to the Cuna only after lengthy FDP lobbying and the granting of various concessions.

Ground Forces

Panama's Ground Forces, officially the Ground Forces for Defense and National Security (Fuerzas Terrestres de Defensa y Seguridad Nacional), constituted a critical element within the FDP in the late 1980s. Their primary mission appeared to be to develop the capability to defend the canal after the year 2000. However, these forces had developed historically in response to other needs. Before the 1931 coup d'état that removed President Florencio H. Arosemena, the United States had frequently intervened militarily to oversee elections and quell riots (see United States Intervention and Strained Relations, ch. 1). The United States' decision not to use troops in 1931 to prevent the coup precipitated a change in the Panamanian military. It was now clearly up to the national police to guarantee internal security through the formation of a troop contingent.

Proposals were made to create a militarily trained police reserve unit of battalion strength to respond quickly to serious disorders, but political fears and budgetary limitations prevented action on the proposals. Renewed efforts through the years met with the same lack of success. The 1959 amphibious landing of Panamanian dissidents demonstrated that the National Guard, which was still primarily a police organization, lacked the training and the capability to repulse even a small-scale attack. Plans were then made to create a Public Order Company (Compañía de Orden Público) that could serve as a field force as well as a police reserve.

A police detachment stationed at Panamá Viejo (Old Panama, a suburb of Panama City) was used as a cadre in forming the new Public Order Company, which was to quell public disturbances and rebellions; to assist on special occasions, such as sporting events, parades, and ceremonies; to maintain order during natural disasters; to accomplish rescues in the jungles and mountains and at sea; to furnish raiding parties for police actions; and to act by virtue of its existence as a deterrent to social disorder. Many of the company's original personnel were sent for special training to United States Army schools in the Canal Zone.

The Public Order Company was the precursor of the eight infantry companies (*compañías de infantería*) that in the late 1980s constituted the major portion of Panama's Ground Forces. These companies had been established individually as necessary to perform a wide variety of tasks in addition to those mentioned above.

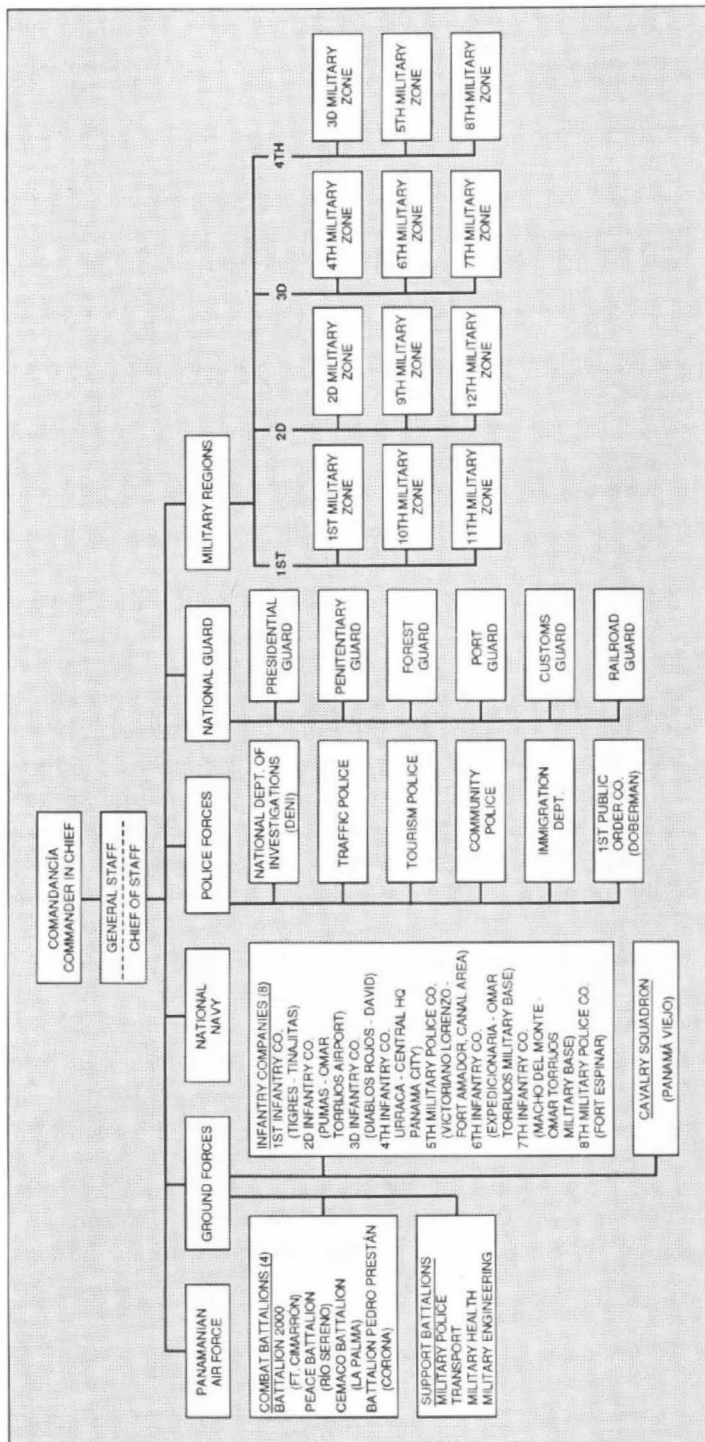


Figure 11. Operational Organization of the Panama Defense Forces, 1987

The eight infantry companies, sometimes referred to as combat companies (*compañías de combate*) or rifle companies (*compañías de fusileros*), were generally patterned on the standard infantry rifle company of the United States Army, although the Panamanians did not have the wide range of equipment available to their United States counterparts. The infantry companies were usually commanded by captains who had lieutenants as executive officers and platoon leaders. Squads were led by sergeants. Directly subordinate to the office of the commander (*comandancia*), the infantry companies were deployed at the discretion of the commander in chief. Although they had on occasion been used as quick-reaction, antiriot forces, the establishment of a special unit within the Police Forces (the First Public Order Company—Doberman) had preempted their use for such purposes. The strength of the infantry companies was estimated to average 200 personnel each. As of the mid-1980s, the FDP had sixteen V-150 and twelve to thirteen V-300 armored personnel carriers.

Infantry units were traditionally garrisoned within a thirty-kilometer radius of Panama City, with the exception of one rifle company at David and two at Omar Torrijos Military Base (formerly Río Hato). This deployment changed, however, with the creation of new combat battalions. In the late 1980s, the First Infantry Company, an airmobile company called the Tigres, was stationed at Tinajitas. The Second Infantry Company (Pumas) guarded General Omar Torrijos International Airport (more commonly known as Tocumen International Airport). The Third Infantry Company (Diablos Rojos) was located in David, the capital of Chiriquí Province, near the Costa Rican border. The Fourth Infantry Company (Urraca) was stationed at the Central Headquarters in Panama City to protect the General Staff and *comandancia*. The Fifth Military Police Company (Victoriano Lorenzo) was headquartered at Fort Amador in the canal area. The Sixth Infantry Company (Expedicionaria) and Seventh Infantry company (Macho del Monte) were headquartered at Omar Torrijos Military Base; these two companies, which controlled some of the country's light armored vehicles, once in essence represented Torrijos's private army. Finally, the Eighth Military Police Company was stationed at Fort Espinar on the Atlantic side of the isthmus.

Another component of the Ground Forces was the Cavalry Squadron (Escuadrón de Caballería), stationed at Panamá Viejo. Although primarily a ceremonial unit, it was called upon to perform crowd-control duties when situations warranted. Cavalrymen assumed routine police duties when not employed in their mounted roles. The Cavalry Squadron has a long and colorful history. A

mounted unit in the national police force dates back to the early days of the republic, when a frontier atmosphere prevailed and mounted troopers pursued cattle rustlers and other bandits. Through the years the unit underwent various reorganizations and changes in deployment, eventually leaving its rural posts for Panama City. Despite its name, the mounted unit in the mid-1980s bore little organizational resemblance to the old-time, battalion-sized cavalry squadron. The unit was actually similar to an infantry company in that the squadron commander was a captain, his executive officer was a lieutenant, and the platoons and squads were led by lieutenants and sergeants, respectively.

The new mission assumed by the armed forces in the 1980s—defense of the canal—prompted the creation of four new combat battalions. The need for such battalions was premised on the belief that defense of the canal until the year 2000 and thereafter required the ability to defend not only the immediate environs of the waterway but also the various approaches to it. Fearing that conflicts elsewhere in Central America might spill over into Panama, the nation wanted to protect its borders with Colombia and Costa Rica. Of the four battalions envisioned (Battalion 2000, Peace Battalion, Cemaco Battalion, and Pedro Prestán Battalion), Battalion 2000 was by far the most fully developed by the mid-1980s. It was headquartered at Fort Cimarrón and commanded by a major who had a captain as his chief executive officer. The heart of Battalion 2000's combat potential consisted of an airmobile company, an airborne company, a mechanized company, and an infantry company; the First Rifle Company at Tinajitas provided fire support. The Peace Battalion, commanded by a captain, was headquartered in the town of Río Sereno near the Costa Rican border. In theory, the Cemaco Battalion, also commanded by a captain, was to be headquartered in Darién Province at La Palma near the Colombian border. Nevertheless, as of late 1987 its status was uncertain. It appeared to be only a company-sized element despite its designation as a battalion, and its actual location had not been finalized. When established, the Pedro Prestán Battalion was to be headquartered in Corona. In late 1987, it had not yet taken shape, however.

Also attached to the Ground Forces were a number of battalions supplying support services: the Military Police Battalion (Batallón de Policía Militar), composed of the Fifth and Eighth Military Police Companies; the Military Health Battalion (Batallón de Salud Militar); the Transport Battalion (Batallón de Transporte y Mantenimiento); and the Military Engineering Battalion (Batallón de Ingeniería Militar). The Military Health Battalion was commanded by a captain and the others by majors.

Panamanian Air Force and National Navy

Before conversion of the National Guard into the FDP, the Panamanian military did not have separate service branches. Even in 1987, the six groups into which the FDP was divided (Ground Forces, Panamanian Air Force, National Navy, Police Forces, National Guard, and Military Zones) were referred to as “entities” (*entidades*) rather than service branches. Prior to 1983, the air force and navy were under the direct jurisdiction of the G-3 (Operations). Although not granted autonomy from the General Staff by the 1983 law, they seemed to have assumed more of a separate identity in the late 1980s.

Establishment of the Panamanian air capability came in 1964, when a Cessna 185 airplane was purchased from the United States. When Torrijos became commander in chief, he began building up the air arm, officially establishing the Panamanian Air Force (Fuerza Aérea Panameña) in January 1970, in recognition of not only its military utility but also its political potential. Airplanes and later helicopters allowed Torrijos to tour outlying areas of the country, areas where he could establish a political base that could neutralize the influence of historically powerful urban groups. The first officers to enter the air force were mostly civilian pilots and thus did not really constitute an officer corps as such. Also, there was little opportunity for an independent air force identity to emerge because pilots were regularly rotated to other positions within the National Guard, a practice that still prevailed in the FDP in the late 1980s. The most significant development affecting the air force during the Torrijos years, then, was not the development of an independent service identity, but the rapid growth of the air arm. There were only twenty-three officer pilots in 1969, but by 1978 there were sixty.

Although in 1987 the air force did not have any combat aircraft, there had been a steady buildup in other equipment, particularly helicopters. As of 1987, regular aircraft included three CASA C-212s, one DHC-3 Otter, two DHC-6 Twin Otters, one Short Skyvan, one Islander, one Boeing 727, and two Cessnas. In addition, there were nine Bell and six UH helicopters and one Super Puma. Personnel and airplanes were primarily based at the Tocumen Air Base, which is collocated with Tocumen International Airport near Panama City, and at Albrook Air Force Base in the canal area.

Panama’s navy (officially, the National Navy—Marina Nacional) was formed at approximately the same time as the air force (1964). Known at that time as the Department of Marine Operations

(Departamento de Operaciones Marinas), it was a small organization involved primarily in coastal patrol operations under the direction of the G-3. In the late 1980s, the navy was equipped with two large rough-water patrol craft, two utility coastal patrol boats, about five small patrol and harbor craft, and three or four former United States Navy amphibious landing ships. The two large craft were the GC10 *Panquiaco* and the GC11 *Ligia Elena*, both constructed by Vosper Thornycroft in Portsmouth, England, in 1970. Each measured about 30 meters in length and was armed with 2 20mm guns; the manning level called for 23 officers and enlisted men. The 2 utility patrol craft each measured about 19 meters in length, mounted a pair of 12.7mm machineguns, and carried a complement of 10 people. The craft had been transferred to Panama from the United States Coast Guard in the mid-1960s. Two of the smaller coastal patrol craft were twelve-meter boats transferred to Panama from the United States Navy under the Military Assistance Program in the early 1960s. Each mounted a single 12.7mm machinegun and carried a crew of 4 enlisted personnel.

Because of the age and the limited capabilities of many of their naval craft, Panamanian officials sought to purchase more modern vessels that would allow the navy to defend the canal approaches and also enhance its coastal patrol capabilities. In the 1980s Panama took delivery of two swift ships, the MN GC-201 *Comandante Torrijos* and MN GC-202 *Presidente Porras*, which were constructed in the United States.

With this continued increase in the navy's vessels, there has been a concomitant expansion in personnel. In 1983 the navy moved to new headquarters at Fort Amador at the Pacific terminus of the canal. The commanding officer in the mid-1980s was a navy commander.

Police Forces

The Police Forces (Fuerzas de Policía) in the mid-1980s included a number of major units and several smaller ones performing relatively minor functions. Most important was the National Department of Investigations (Departamento Nacional de Investigaciones—DENI), which has historically been viewed by many Panamanians as a kind of secret police. For most of its history, Panama has had organizations similar to the DENI. The undercover police began with the decree-law, issued by President José D. Obaldía in 1909, establishing a ten-man section in the Panama City Police and a five-man section in Colón to engage exclusively in undercover police investigations. In effect, Obaldía created a detective organization supervised by the commander of the National Police.

In 1941, during the presidency of Arnulfo Arias Madrid, the enlarged detective agency became the National Secret Police and was removed from the jurisdiction of the police commander, although it remained under the Ministry of Government and Justice. According to the decree establishing it, the National Secret Police was to be the investigative agency dealing with infractions of the law as well as with conspiracies against the state or against national security.

In May 1960, President Ernesto de la Guardia, with the approval of the cabinet and the Permanent Legislative Commission, issued a decree-law that created the DENI to replace the National Secret Police. The new agency was removed from the Ministry of Government and Justice and placed in the Public Ministry under the direction of the attorney general. DENI powers were carefully delineated in the 1960 law; primarily an investigatory agency, it acquired broader authority that made it the Panamanian counterpart of the United States Federal Bureau of Investigation. Besides investigating crime, DENI was to maintain surveillance on known political extremists and potential subversives. DENI agents were authorized to maintain surveillance of hotels, pensions, and boarding houses in Panamanian cities in order to follow the movements of transients who might be potential violators of the law. The agency was also charged with administering a national identity bureau and with keeping records of all criminals and criminal activities. A fingerprint file was established by recording the prints of each citizen who applied for the national identity card (*cédula*).

DENI became a member of the International Organization of Criminal Police (Interpol). Sometime after the coup d'état of 1968, it was subordinated to the G-2 of the National Guard's General Staff. In the mid-1980s, the DENI was commanded by a major and headquartered in Ancón near Panama City. The overall strength of this organization and location of its agents were not publicized; however, it was generally assumed that Panama City, Colón, and David were its main areas of activity.

The Police Forces also included the Traffic Police (Dirección Nacional de Tránsito Terrestre), which was founded as a separate entity in 1969. Headquartered in Panama City, the Traffic Police regulated and controlled traffic throughout the country. Units were stationed in the cities and suburbs as well as on the back roads and highways, including the Pan-American Highway (see fig. 8). In performing its countrywide duties, the Traffic Police coordinated with other FDP personnel in the posts and stations of eleven of the twelve military zones; coordination was not possible in the Twelfth Military Zone, located in the Comarca de San Blas, because of the lack of

roads. Responsibilities of the Traffic Police included issuing, renewing, and revoking drivers' licenses and vehicle registrations; investigating accidents and infractions of the vehicle laws; inspecting vehicles for safety hazards; and developing training programs for safe driving. In the late 1980s, the force was commanded by a major.

The Police Forces also included small police units called the Tourism Police (*Policía de Turismo*) and Community Police (*Policía Comunitaria*), both commanded by lieutenants. The Immigration Department and the First Public Order Company (*Doberman*) first came under the control of the Police Forces in 1983. The Immigration Department was staffed by civilians but was fully integrated into the FDP; its head reported directly to the FDP commander. The First Public Order Company, commanded by a captain, was charged with riot control and was the primary instrument used for this purpose in the 1980s.

National Guard

The last of the six major entities making up the Defense Forces was the National Guard (*Guardia Nacional*). As reconstituted, the National Guard was scarcely a shadow of its former self. As of late 1987, it had neither a commander nor a staff element and functioned primarily as a paper entity encompassing the Presidential Guard (*Guardia Presidencial*), Penitentiary Guard (*Guardia Penitenciaria*), Forest Guard (*Guardia Forestal*), Port Guard (*Guardia Portuaria*), Customs Guard (*Guardia Aduanera*), and Railroad Guard (*Guardia Ferroviaria*). The Presidential Guard was a specially selected unit charged with guarding the president and the presidential palace. The unit, which was quartered on the palace grounds, was believed to be similar to an infantry company in organization; although used as a ceremonial honor guard, its personnel were also trained in the use of weapons and in security techniques. On parade or when mustered to greet foreign dignitaries, the Presidential Guard presented an impressive appearance in tailored white uniforms, white helmets, boots with white laces, and white belts and rifle slings. The Presidential Guard wore a variety of other uniforms as well, including a dark blue uniform with black cap and a solid gray uniform with white helmet and white belt. The unit was commanded by a major or a captain who answered directly to the *comandancia*.

Other small units of the National Guard protected specific areas or facilities. The Port Guard, Railroad Guard, and Forest Guard all were formed to handle functions and responsibilities turned over to Panama by the 1978 treaties. The Forest Guard, for example,

dealt with the increasingly serious problem of deforestation in the basin drained by the canal.

Administration and Operations of the Defense Forces

Manpower

Service in the FDP and its predecessor organizations had been voluntary since Panama gained its independence, but a law provided for conscription if necessary. If there were a perceived threat to national sovereignty, the Defense Forces were charged with managing conscription. Naturalized citizens were exempted from participation in cases where they would have to fight against their country of origin. (As of the mid-1980s, however, no emergency since independence had necessitated activation of the law.)

Government officials reported through the years that there had always been more recruits for the Defense Forces than available spaces. Even the possibility of increased manning levels to meet additional requirements under the Panama Canal treaties did not seem to exhaust the pool of recruits. In the mid-1980s, Panamanians aspiring to military service generally reported to Omar Torrijos Military Base at Río Hato, where they took a series of physical and mental examinations. Those accepted were issued uniforms and received some basic training before being sent to the Military Training Center (Centro de Instrucción Militar—CIM) at Fort Cimarrón. There was no set schedule for basic training courses, but they occurred two to three times each year. All Panamanians who enjoyed “. . . their civilian and political rights, who have not been sentenced for crimes against property, or sanctioned by the judicial branch with a sentence depriving them of freedom for committing a crime against the public administration . . .” could apply for admission to the Defense Forces.

The commander in chief made all promotions and used the following criteria to determine whether a promotion was merited: “(1) Verification of service rendered in the lower rank and proof of seniority, (2) Exhibition of optimal physical condition . . . , (3) Demonstration of a positive moral attitude . . . , and (4) Exhibition of intellectual attitude and competence” If a member of the Defense Forces were found guilty of insubordination or some other violation of military discipline, the right to promotion could be suspended for up to three years. In October 1985, Noriega promoted the largest number of officers and enlisted personnel ever promoted at one time in the history of the armed forces (some 1,200). This occurred as a result of both the rapid expansion of the Defense Forces and the anticipated need for more senior officers

and enlisted men as the year 2000 approached. Noriega's action further altered the rank structure by creating more high-level officer billets and strengthened his position within the Defense Forces.

Statistics were not maintained on the ethnic and racial backgrounds of Defense Forces personnel, but there was no apparent discrimination. In fact, since the National Police and its successor institutions had been among the few bureaucratic organizations in Panama not to discriminate on the basis of race, many black Panamanians found their way into military service. Enlisted personnel historically came mostly from the urban transit area, since the National Police served primarily as policemen in that area. After the creation of new infantry units during the 1960s and 1970s, there has been some indication that recruitment shifted to rural areas. Most officers had traditionally come from the urban lower-middle class, but increasing numbers were drawn from the rural middle and lower classes in the 1950s and 1960s.

Although there had always been a few women in the Panamanian armed forces, their numbers greatly increased in the 1980s. Part of this increase resulted from the creation of the FDP in 1983, when women in bureaucracies such as the Immigration Department were brought under the armed forces. However, it was also a reflection of changing policy and the military five-year plan implemented in the early 1980s. This plan called for the eventual creation of a separate administrative office for the women's component of the armed forces known as the Female Force (*Fuerza Feminina*). As of the mid-1980s, there were 1,824 women on active duty. In 1986 the School for Women's Training (*Escuela de Formación Feminina*) was established with a female captain as its commander. The first graduating class of twenty had received twelve weeks of instruction in a variety of military subjects.

Article 24 of the September 1983 Law 20 on the Defense Forces of the Republic of Panama states that the professional classification of military ranks within the FDP will be as follows: "(1) general of the forces, (2) corps general, (3) division general, (4) brigadier general, (5) colonel, (6) lieutenant colonel, (7) major, (8) captain, (9) lieutenant, (10) second lieutenant, (11) first sergeant, (12) second sergeant, (13) first corporal, (14) second corporal, (15) agent, (16) aid, and (17) orderly. Posts in the military ranks mentioned above will be filled in accordance with institutional needs." The commander in chief is traditionally the only active-duty officer to hold the rank of general. The rank of general came into use in the mid-1960s with Vallarino. Previously, colonel was the highest rank except for Remón's posthumous promotion to general, approved by the National Assembly after his assassination. In the late 1980s,

the FDP's commander, General Noriega, held the four-star general rank (see fig. 12).

The most common uniforms in the mid-1980s were either green fatigue or khaki-colored short-sleeved shirts and trousers. Officers sometimes wore short-sleeved khaki shirts with dark green trousers or various (white or dark green) dress uniforms. Both the fatigue uniforms and khaki uniforms also had long-sleeved versions. Headgear varied, including a variety of helmets or helmet liners, berets of various colors, the stiff-sided visored fatigue cap, and the visored felt garrison caps similar to those worn by United States Army officers. Field-grade officers and the one general officer wore gold braid on their visored caps. Combat boots were the most common footwear, but officers frequently wore low-quarter shoes. Officer rank insignia consisted of gold bars or stars. The noncommissioned officer (NCO) ranks were designated by chevrons similar to those worn by some NCOs in the United States Army. Distinctive unit shoulder patches were worn by all ranks on the right shoulder of their uniforms (see fig.13). On the left shoulder, all ranks wore the familiar blue, white, and red shield of the FDP showing crossed rifles bisected by an upright saber.

Training

Until the 1950s, systematic training had been at best sporadic and at worst nonexistent. During the construction of the canal, United States instructors in police methods were frequently hired, but none stayed more than a few months, and the turnover hurt the already inefficient police force. In 1917 Albert R. Lamb was hired as an instructor for the National Police, and within two years he had been promoted to the post of inspector general. Even after a Panamanian was named commander in 1924, Lamb remained as an inspector and continued to exert an important influence on the police. He was credited with having created a relatively efficient force, but discipline, training, and efficiency declined after he left in 1927.

Police officials during the 1930s and 1940s periodically recommended the establishment of a police training center, but lack of funds always prevented action on such recommendations. In 1946 the National Assembly created the Police School (*Escuela de Policía*), but even after that decree and even with Remón as commander, the police had difficulties securing sufficient funds to operate a school. As president, Remón was instrumental in arranging for a Venezuelan military mission to advise and assist in establishing the National Guard School (*Escuela de Formación de Guardias Nacionales*), forerunner of the present-day CIM and the Police Training Academy (*Academia de Capacitación Policial—ACAPOL*).

COMMISSIONED OFFICERS

PANAMA RANK	SUBTENIENTE	TENIENTE	CAPITÁN	MAYOR	TENIENTE CORONEL	CORONEL	GENERAL DE BRIGADA	GENERAL DE DIVISION	GENERAL DE CUERPO	GENERAL DE LAS FUERZAS
DEFENSE FORCES								INSIGNIA NOT KNOWN	INSIGNIA NOT KNOWN	INSIGNIA NOT KNOWN
U.S. ARMY RANK TITLES	2D LIEUTENANT	1ST LIEUTENANT	CAPTAIN	MAJOR	LIEUTENANT COLONEL	COLONEL	BRIGADIER GENERAL	MAJOR GENERAL	LIEUTENANT GENERAL	GENERAL
U.S. NAVY RANK TITLES	ENSGN	LIEUTENANT JUNIOR GRADE	LIEUTENANT							

ENLISTED PERSONNEL

PANAMA RANK	SOLDADO RASO	CABO SEGUNDO	CABO PRIMERO	SARGENTO DE SEGUNDA	SARGENTO DE PRIMERA
DEFENSE FORCES	MARINERO ³	INSIGNIA NOT KNOWN			
	NO INSIGNIA				
U.S. ARMY RANK TITLES	BASIC PRIVATE	PRIVATE 1ST CLASS	CORPORAL	SERGEANT	SERGEANT 1ST CLASS
U.S. AIR FORCE RANK TITLES	AIRMAN BASIC	AIRMAN 1ST CLASS	SERGEANT	STAFF SERGEANT	MASTER SERGEANT
U.S. NAVY RANK TITLES	SEAMAN RECRUIT	SEAMAN	PETTY OFFICER 3D CLASS	PETTY OFFICER 2D CLASS	CHIEF PETTY OFFICER

NOTE: ¹Army and Air Force ²No Panama Navy rank above Captain ³Navy

Figure 12. Ranks and Insignia of the Panama Defense Forces, 1987

Under the leadership of General Torrijos, training for both officers and enlisted men improved considerably. In the 1970s, officer training shifted from Central to South America, resulting in a significant upgrading in the quality of professional education received. Although many officers were still promoted from the ranks, the percentage of those with academy training gradually increased. By 1979 some 315 of 700 officers were academy graduates.

Since the early 1950s, approximately 5,000 Panamanian officers and enlisted men have been trained by the United States. Although some of these students were sent to the United States, the majority attended United States facilities located in the former Canal Zone, including the United States Army School of the Americas, the Inter-American Air Forces Academy at Albrook Air Force Base, and the Small Craft Instruction and Training School at the Naval Support Facility near the Pacific end of the canal. Although in the late 1980s some FDP personnel still received training at United States facilities, their numbers were reduced because the School of the Americas moved to Fort Benning, Georgia, in 1984. Nevertheless, for the majority of Panamanian officers, the command and staff course given at the School of the Americas remained the final rung on the educational ladder.

One of the FDP's most important training facilities was the CIM located near Panama City at Fort Cimarrón. It housed the Airborne School and offered a parachute-rigging course in addition to its responsibility for the basic training of recruits and the refresher training of all military personnel in subjects such as patrolling, first aid, and map reading. Besides providing regular teaching and field training, the facility assisted in the development of new courses of instruction designed to keep the organization abreast of innovations and current methods of military operation. Its commandant, usually a major or captain, was assisted by an executive officer and a staff and faculty consisting of officers and sergeants.

Another Panamanian school, the General Tomás Herrera Military Institute (Instituto Militar General Tomás Herrera), was located at Omar Torrijos Military Base in Río Hato. Established in 1974 on the model of a Peruvian military high school, it offered training for young people who might some day choose to pursue a military career. It also provided the Defense Forces with technically trained personnel proficient in developmental fields such as agronomy. As of 1986, ten classes had been graduated from the institute and many of its students were receiving scholarships to various military academies throughout Latin America.

The José Domingo Espinar Educational Center was an FDP training facility that replaced the United States Army School of the



Source: Based on information from *Defensa*, Panama City, December 1979, 5.

Figure 13. Selected Unit Insignia of the Panama Defense Forces, 1987

Americas. Located near Colón, this center was named after the Panamanian patriot who first declared territorial independence from Colombia. It had a number of different faculties and offered a variety of courses on subjects such as basic criminal investigations, basic intelligence, English language, and radio communications. It also offered a promotion course for future noncommissioned officers. The ACAPOL, which offered basic police training, was housed in this facility. The academy offered a wide variety of courses to

both officers and enlisted personnel and high-level seminars dealing with national problems. The importance of this facility within the educational structure of the Defense Forces was indicated by the fact that its commander in the mid-1980s was a lieutenant colonel.

Other FDP training facilities included the Benjamín Ruíz School for Noncommissioned Officers (Escuela de Suboficiales Benjamín Ruíz), the Command and Special Operations School (Escuela de Comando y Operaciones Especiales), and the Pana-Jungla School (Escuela Pana-Jungla). The School for Noncommissioned Officers was established in 1986 at Omar Torrijos Military Base. It was primarily a training facility designed to identify prospective second lieutenants. Secondary school graduates went through a two-year training program and were awarded the rank of first sergeant. Following two years of "on-the-job training" and additional courses, the best of the group became second lieutenants. The Command and Special Operations School was a facility for training members of the infantry companies in various types of special activities. Graduates were mostly sergeants with more than ten years of military service. The Pana-Jungla School was located in Bocas del Toro Province along the Río Teribe and near the Costa Rican border. Commanded by a major, it offered training in jungle survival skills to both Panamanian soldiers and military personnel from other countries.

Foreign Military Assistance

Ever since the early post-World War II period, Panama has been the recipient of some annual military aid under various programs established by the United States government (see table 19, Appendix A). In a diplomatic message accompanying the Panama Canal treaties, the United States agreed (pending congressional approval) to provide up to US\$50 million in credits under the Foreign Military Sales (FMS) program. The credits were to be spread over the first ten years of the treaty period.

In fact, FMS deliveries to Panama have risen dramatically in the 1980s, from a mere US\$187,000 in fiscal year (FY) 1980 to over US\$12 million in FY 1986. Assistance under the International Military Education and Training Program also has registered a steady increase from US\$270,000 in FY 1980 to US\$575,000 in FY 1985, with a slight drop to US\$507,000 in FY 1986.

In late 1987, however, it remained to be seen whether and under what circumstances Panama would continue to receive United States military aid. The United States suspended all military and economic aid to Panama in the summer of 1987, in response to

Panama's failure to take steps toward a democratic, civilian-ruled government, in accordance with conditions associated with the Panama Canal treaties.

Canal Defense

Some observers have held that the Panama Canal cannot be defended. Even as early as 1953, a simulated nuclear strike during exercises near Miraflores Locks demonstrated the locks' extreme vulnerability to such attack (see fig. 3). Four years later in "Operation Caribbean," United States war gamers found the canal's defenses inadequate and asked the government of Panama for missile sites outside the Canal Zone. The Panamanians, however, feared that United States missile sites would only make their country more of a target for someone else's missiles; in addition, they did not want to give up any more territory to the United States. Years later, testimony before committees of the United States Congress during treaty hearings pointed out the vulnerability of the locks to various kinds of sabotage, such as placement of an explosive in the hydraulic system.

Vulnerability to attack or sabotage notwithstanding, the canal is mandated to be defended by the combined military efforts of Panama and the United States. With this fact as a basic assumption, the drafters of the Panama Canal treaties spelled out the *modus operandi* for joint defense in the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and projected the possibility of United States military assistance to Panama even into the twenty-first century (see Appendix B). Among the five binational bodies established by Panama and the United States to handle all matters concerning the canal until December 31, 1999, two—the Combined Board and the Joint Committee—were set up to take care of defense affairs. The Combined Board consisted of an equal number of senior military representatives from each country, who consulted and cooperated on all matters dealing with defense and planned "actions to be taken in concert for that purpose." Specifically, the board was charged with coordinating such matters as the preparation of canal defense contingency plans and the planning and execution of combined military exercises. The board was further charged with reviewing defense needs and making recommendations to the respective national governments and assessing at five-year intervals the resources provided by the two countries for their defense commitments.

The Joint Committee, which also consisted of senior military officers and their deputies, looked after the day-to-day contacts and cooperation between the two defense forces. The United States half



*U.S.S. Tarawa enters Pedro Miguel Locks,
Panama Canal, July 1976
Courtesy Agency for International Development*

of the committee also dealt with United States military personnel and civilian employees and their dependents under the status-of-forces agreements. The Agreement in Implementation of Article IV of the Panama Canal Treaty spelled out the complex responsibilities and functions of the Joint Committee in detail. To accomplish its numerous and varied tasks, the committee was divided into subcommittees, each having several sections. Because neither the Combined Board nor the Joint Committee had decision making or command authority, deadlocked issues had to be referred to their respective governments.

Between 1979 and 1985, at least sixteen joint military exercises involving Panamanian and United States forces took place, testing combined capabilities to defend the canal. Beginning in 1982, a series of exercises called "Kindle Liberty" were conducted. These exercises practiced the rapid movement of support troops from the United States, evaluated operational terrain, and tested joint troop coordination and performance. Generally, Kindle Liberty exercises involved Panamanian companies from Battalion 2000 and the Peace Battalion and United States forces from the 193d Infantry Brigade stationed in the canal area and from Fort Bragg, North Carolina. Combined troop participation normally ranged from 3,000 to 5,000. A series of operations called "Black Fury" were also conducted

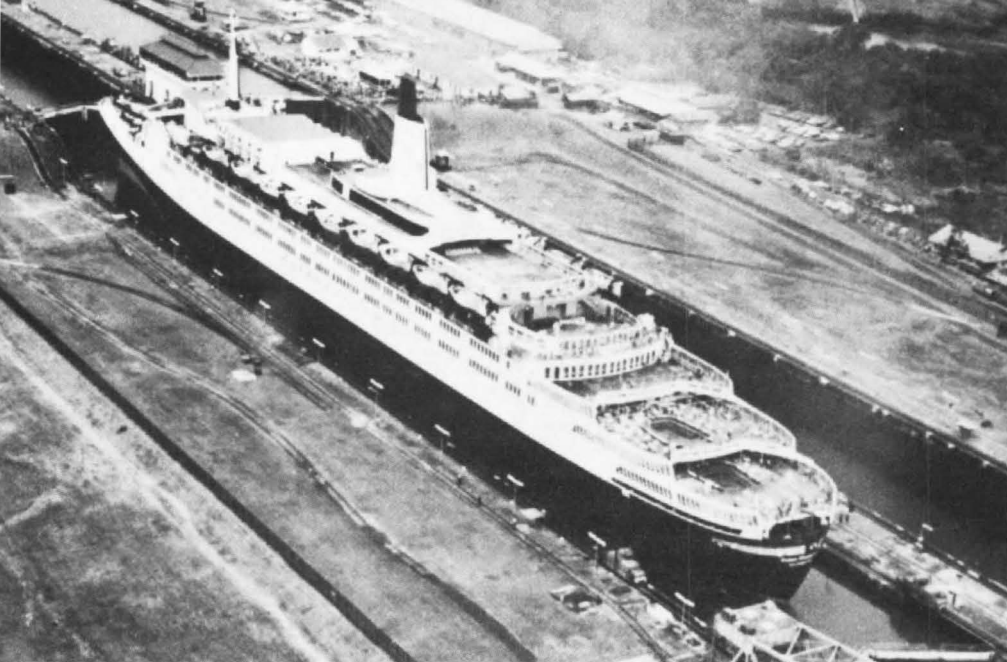
between 1979 and 1981 in the canal area. Their primary purpose was to simulate defending the canal from an attack by guerrilla forces by mobilizing troops in both Panama and the United States. Black Fury training exercises involved approximately 5,000 United States troops, including some from various state national guards.

Joint military exercises held in the mid-1980s were larger than those held previously. "Minuteman II" in 1985, for example, involved 10,000 United States troops from various national guard units in Puerto Rico, Florida, Texas, Alabama, Missouri, and Louisiana in addition to 5,000 members of the FDP. These exercises also dealt more with scenarios of guerrilla or low-intensity conflict. For example, in early 1986 a joint exercise called "Donoso 86" was held on a remote portion of the Atlantic coast west of the terminus of the canal. The scenario called for a large band of guerrillas operating with extensive foreign backing to have gained the support of the local population. The primary Panamanian forces involved in this exercise came from Battalion 2000, and the main United States contingent was from the 193d Infantry Brigade. In early 1987, a joint exercise called "Candela 87" was conducted on the border with Costa Rica using various tactical units of the FDP, including the Peace Battalion. The future of these exercises was uncertain in late 1987, however. After the United States Congress prohibited the use of FY 88 funds for military exercises in Panama, all such joint ventures were suspended.

Involvement in Political and Economic Affairs

Panama's security forces have changed dramatically since independence. Originally established as a police force after the national army was abolished, these forces evolved toward a paramilitary configuration during the 1950s and 1960s. In the late 1970s, they began to evolve once more as Panama assumed responsibility for defending the canal. During each successive stage, prior functions and missions were not abandoned; rather, new ones were added. These three different stages of institutional development were associated with three distinct types of military participation in politics. During the earliest period when the security forces performed a police role, the institution merely reflected the interests of the dominant civilian elite. Thus, they were used to keep the peace and to prevent the urban masses from challenging the elite through strikes and other socially disruptive types of activity.

With the adoption of a paramilitary role, the newly formed National Guard began to act politically to further its own interests and those of the commander in chief. The Guard not only began to serve as the court of last resort for settling feuds among the



*Queen Elizabeth 2 transits Miraflores Locks,
Panama Canal, March 1977
Courtesy Agency for International Development*

civilian elite, but eventually seized political power in its own name. Under the leadership of Torrijos, the National Guard and its General Staff fashioned a “civilian” political regime in their own image, but real power remained in the hands of the military (see *The Panama Defense Forces*, ch. 4). In 1983 Panama implemented constitutional changes aimed at restoring direct presidential elections, but it was clear that even Torrijos’s death would not force the military to give up its central role in politics. Despite the Constitution’s assertion that the ultimate political authority in Panama was the will of the people, the civilian government that expressed this will was expected to rely heavily on the advice of the military. According to the Constitution, “Power emanates from the people and is exercised by the government through a distribution of functions among the executive, legislative, and judicial branches acting in harmonic collaboration with the National Guard.”

The central role played by the FDP during the 1980s was the logical outgrowth of both the historical evolution of Panama’s security forces and changes in the civilian sector. Before the National Guard was created in the early 1950s, officers in the National Police did not have enough social standing or sufficient institutional support to play a significant role in politics. By the 1970s, however, officers had emerged with enhanced social status, an enlarged

institutional power base, and growing links with marginalized civilian groups. As the "spokesman" for these groups during the 1970s and 1980s, the military worked to implement social and economic policies viewed as being both in the interest of these groups and of benefit to the military itself.

In the economic sphere, the National Guard and the Defense Forces have sought to have civilian technocrats whose views were similar to those of the military appointed to key decision-making positions. During the 1970s, for example, Torrijos worked with a small group of professionals from the reform wing of the National Liberal Party, placing them in key government positions. And in supporting the presidential candidacy of Nicolás Ardito Barletta Vallarino (a former vice president of the World Bank) in 1984, the Defense Forces once again demonstrated their penchant for working with like-minded civilian professionals.

Top FDP officers were also alleged to have been engaged in a wide variety of legal and illegal business activities. A series of articles published in the *New York Times* in 1986 suggested that the FDP commander was deeply involved in both drug transactions and arms smuggling. Panama's alleged role in the drug business had never historically been related to production activities (although some marijuana was supposedly grown there) but rather to transshipment and the laundering of illicitly obtained funds. The articles went so far as to suggest that the FDP commander in chief was not only aware of these activities but played an active role in encouraging them. Subsequently, additional credible evidence of FDP involvement in drug-trafficking and money-laundering activities continued to surface.

The Defense Forces have at times cooperated with the United States government in some activities related to drug enforcement, such as making arrests, extraditing traffickers, and seizing boats carrying drug cargoes. In response to a United States request, Panama made drug money-laundering illegal in 1986 and agreed to give United States authorities access to certain bank records in drug investigations. "Operation Pisces," a drugs and money-laundering sting launched by the Drug Enforcement Administration in 1987 against cocaine traffickers, received extensive support from Panamanian authorities. Nevertheless, observers increasingly believed that such cooperation was an expedient ploy to sacrifice lower-level operations and personnel in order to safeguard more significant illegal activities.

United States Forces in Panama

United States military forces have been present in Panama since that nation broke away from Colombia at the beginning of the

twentieth century. Indeed, the presence of the U.S.S. *Nashville* and the U.S.S. *Dixie* had influenced the outcome of Panama's revolt. Even before completion of the canal, United States soldiers or marines occasionally intervened in Panamanian affairs, usually at the request of local officials and in compliance with the 1903 treaty that gave the United States government broad discretionary powers. United States intervention took a new turn in 1918, when the United States unilaterally intervened to restore stability during a Panamanian political crisis. Most United States forces withdrew after elections were held and the crisis eased; however, a detachment of marines remained in Chiriquí Province for about two years for the purpose of maintaining public order.

Even though the National Police had been somewhat professionalized under the leadership of Albert R. Lamb, police authority dissolved in 1925 in the face of a renters' strike in Panama City. High rents charged for workers' housing by the urban oligarchy caused the strike, which turned violent and resulted in many deaths during two days of rioting. Panamanian authorities requested aid, and 600 United States Army troops carrying rifles with fixed bayonets entered the city to restore order. The rioters were dispersed, and for twelve days United States soldiers patrolled the streets keeping order and guarding government officials and property. Similar rent strikes recurred in 1932 but with the National Police restoring order. Intervention or the threat of intervention from United States forces continued to be an irritant to the Panamanian people and a cause célèbre for Panamanian politicians over the next several years. In 1936 negotiations between the two countries resulted in an agreement that prohibited United States intervention in Panamanian civil affairs (see *A New Accommodation*, ch. 1).

During and immediately after World War II, the United States military presence in the Canal Zone underwent a metamorphosis corresponding to broad hemispheric developments. When Nazi activities in Latin America became widespread, and to counteract German influence, interest in some kind of joint defense revived. Shortly before the United States entered the war in December 1941, the United States had begun to establish military missions in the capital cities of the Latin American republics. The missions served as liaison agencies between the military establishment of the United States and those of the Latin American countries, and mission personnel became advisers to the Latin American military. After the war, canal defense continued to be the primary United States mission, but the United States Caribbean Command in Panama retained responsibility for United States security interests throughout Latin America and administered the aid and advisory programs

for the entire area. In 1963 the Caribbean Command was redesignated the United States Southern Command (SOUTHCOM), retaining the same functions and responsibilities.

Transfer of control of the Canal Zone to Panama in 1979 did not substantially alter the mission of SOUTHCOM because the United States retained primary responsibility for defense; as a result, observers expected SOUTHCOM or a similar successor organization to remain in place until United States obligation under the Panama Canal treaties is fulfilled at the end of the century. SOUTHCOM is what is known in common military parlance as a unified command, that is, one in which all services operate under, and are responsible to, a single commander. Because the army has historically been the principal component of United States forces in Panama, SOUTHCOM has been under the command of an army general.

The primary missions of SOUTHCOM remained much as they had been during previous decades: to defend the Panama Canal, to administer programs of military assistance to Latin American military institutions, to coordinate United States participation in joint military exercises in the region, and to help with disaster relief. Major SOUTHCOM installations included the general headquarters at Quarry Heights, Fort Clayton, Fort Davis, Fort Sherman, Rodman Naval Base, Fort Amador, and Howard Air Force Base. Fort Clayton served as headquarters for the most important United States military unit in the area, the 193d Infantry Brigade. The Brigade consisted of two infantry battalions, one special forces battalion, and a combat support battalion, in addition to other specialized units. Overall SOUTHCOM military strength in the mid-1980s was approximately 9,400 men and women of the army, navy, and air force. By the terms of the Panama Canal treaties, the United States pledged to maintain its armed forces at a peacetime manning level, that is, not in excess of the number that were present in the zone just before the treaty became effective.

A Status-of-Forces Agreement (SOFA) between the United States and Panama was combined with the Base Rights Agreement as part of the Panama Canal treaties. The SOFA details the legal rights and obligations of United States military personnel and their dependents residing in Panama and stipulates crimes over which the United States military or the Panamanian courts have jurisdiction.

Administration of Justice

For the first several years of its existence, Panama depended on the legal code inherited from Colombia. The first Panamanian codes, promulgated in 1917, were patterned on those of Colombia

and other Latin American states that had earlier broken away from the Spanish Empire; therefore, Panama's legal heritage was based on Roman law as passed on through Spain and its colonies. Nevertheless, several features of Anglo-American law have also been accepted in Panama. Habeas corpus, a feature of Anglo-American legal procedure that is not found in many Latin American codes, has been constitutionally guaranteed in Panama. Judicial precedent, another Anglo-American practice, has also made some headway; however, judges and magistrates usually have had little leeway in matters of procedure, delays, and degrees of guilt.

The Public Ministry provided for in the Constitution has defended the interest of the state; fostered the enforcement and execution of laws, judicial decisions, and administrative orders; supervised the official conduct and the performance of duty of public officials; prosecuted offenses of constitutional or legal provisions; and served as legal adviser to administrative officials. The functions of the Public Ministry were fulfilled by the attorney general of the republic, the solicitor general, the district attorneys, and the municipal attorneys. There were two alternates for each official of the ministry; all were appointive positions. The attorney general, the solicitor general, and their alternates were executive appointees; district attorneys and municipal attorneys were appointed by their immediate superiors in the judicial system. They in turn appointed subordinate personnel in their own offices.

In addition to the stipulations of "free, prompt, and uninterrupted" administration of justice and the establishment of the Public Ministry, the Constitution has several other statements about the application of laws, the treatment of citizens under the law, and the handling of prisoners. Article 21 guarantees freedom from arbitrary arrest, and Article 22 provides for habeas corpus. Article 29 prohibits the death penalty. Article 42 provides that "In criminal matters, a law favorable to the accused always has priority and retroactivity, even though the judgement may have become final." Article 163 gives the president power to grant pardons for political offenses, to reduce sentences, and to grant parole. Article 187 states that a person convicted of an offense against public order may not hold any judicial office in the future. Article 197 establishes trial by jury.

Under a section of the Constitution headed "Individual and Social Rights and Duties," private citizens are assured that they can be prosecuted by government authorities only for violations of the Constitution or the law. The procedure for arrests is also described, stating that arrests may result from response to complaints made to the police or from direct action on the part of police

or DENI agents at the scene of the crime or disturbance. The validity of citizen's arrest is recognized: "An offender surprised flagrante delicto may be apprehended by any person and must be delivered immediately to the authorities." No person may be held for more than twenty-four hours by the police without being brought before competent authority. The Constitution forbids arrest or detention for violation of purely civil obligations or for debts.

During the course of an investigation, the accused and all witnesses are questioned, the latter under oath. The Constitution guarantees that no accused person may be forced to incriminate himself or herself, and the authorities are forbidden to force testimony from any close relative, whether related by blood or marriage, that is, "within the fourth degree of consanguinity or the second degree of affinity." Investigators may enter a person's home only with consent or a written order (search warrant) from a competent authority or to assist victims of crime or natural disaster. In general, all testimony must be presented in written form and be signed by investigators, accused, and witnesses. If a case warrants prosecution, it is referred to the appropriate court. Although bail is permissible in some cases, it is a privilege subject to many restrictions and may be denied at the request of the prosecutor if a judge concurs.

There was considerable evidence that many of these constitutional provisions were not realized in the daily lives of Panamanian citizens in the late 1980s. The most striking example was the case of Dr. Hugo Spadafora. Spadafora was a former senior government official, who had criticized the role of the Defense Forces in politics and the alleged role of Noriega in drug trafficking. Spadafora's headless body was found in Costa Rica near the border of Panama in September 1985 after reports that he had been taken into custody by members of the Defense Forces. There also were allegations that Dr. Mauro Zúñiga, head of an opposition group called the National Civilian Coordinating Committee (Coordinador Civilista Nacional—COCINA), was abducted and beaten.

Although the Constitution provides for habeas corpus and the prompt and uninterrupted administration of justice, several incidents suggested that these principles were sometimes violated. It should also be noted that various articles of the Constitution guaranteeing basic rights were suspended during the temporary state of emergency declared in 1987. Moreover, the government responded with excessive brutality to popular marches and demonstrations in Panama in mid-1987. According to a December 1987 United States Senate staff report on Panama, over 1,500 persons were arrested between June and September 1987. Credible evidence

suggests that many of them were subjected to cruel and inhuman treatment while in jail.

Criminal Justice

The Criminal Code and the Administrative Code, respectively, defined crimes against public order, public security, public trust, decency, the person, and property as felonies (*delitos*) or misdemeanors (*faltas*), depending on the seriousness of the crime. Although sentences also were prescribed according to the seriousness of the crime, in nearly all cases the codes established upper and lower limits within which a court had discretion in sentencing. In crimes of violence against government officials, more severe sentences were prescribed.

Capital and corporal punishments were prohibited. The most severe penalty permitted for a single offense was a twenty-year imprisonment, and prison sentences were differentiated as to place of confinement. All prisoners could be required to perform prison labor whether or not it was included in a sentence. The most severe sentence, a specific type of imprisonment (*reclusión*), included the place of confinement—Coiba Penal Colony on the Isla de Coiba—and the manner of serving—hard labor. A sentence of *reclusión* could range from thirty days to twenty years. The sentence of simple imprisonment (*prisión*) could range from thirty days to eighteen years, but serving in Coiba was not inherent in the sentence. Depending on the seriousness of their crimes, prisoners sentenced to *reclusión* could be eligible for parole after three-quarters of the term had been served, and those sentenced to *prisión* could be eligible after serving two-thirds of the term.

Detention (*arresto*) was a penalty assessed for less serious offenses and could extend to eighteen months, usually served in a local jail. A punishment without physical restraint (*confinamiento*) limited the offender to a specified place of residence that had to be at least thirty kilometers from the scene of the crime and from where the victim resided. The period of the *confinamiento* was at the discretion of the court unless prescribed in law. Fines (*multas*) were the least severe penalties and in some cases were added to jail sentences. If an offender failed to pay or defaulted on payments, a *multa* was convertible to *arresto* in a ratio of money to time prescribed by law.

Conditional penalty (*condena condicional*) was a suspended sentence used at the discretion of a court in the sentencing of a first offender, except on a major felony charge. The sentence required residing at a fixed address and reporting any change, frequent visits to the court, and checks by the police on the offender's conduct. Many misdemeanors were punished by suspended sentences, fines,

or short periods in jail. Sentences of public labor without confinement could also be adjudged at the discretion of a court.

Provisions for appeal existed in the system, and many categories of cases required automatic review in a higher court. Time limits were set on the preparation of appeals and court action on them, as well as on the time taken for automatic review. Few cases could be appealed to the Supreme Court, an appeal usually requiring that an error be shown in the handling by a lower court. Prosecutors also had the right of appeal.

The cases of minors were handled in a special system designed to combat juvenile delinquency and to keep young offenders from contact with hardened criminals. The Guardianship Court for Minors (Tribunal Tutelar de Menores), established in 1951, worked closely with the Defense Forces, DENI, and various social agencies to handle the cases of young offenders and to provide them with guidance and assistance if possible. Cases involving persons under age eighteen were not made public.

Although trial by jury is established by Article 197 of the Constitution, the same article stipulates that "the law will determine the cases to be decided by this system." In practice, most criminal cases, except for those heard in the night courts of Panama City and Colón, were conducted by deposition, and the accused was not present during the proceedings. Only the most serious criminal cases, that is, those involving homicide or other heinous crimes, were heard by juries in the presence of the accused. Decisions were usually made by judges or magistrates after consideration of depositions from defense attorneys and prosecutors. Defendants and their attorneys were entitled to be fully informed of charges and the evidence on which charges were brought, and they could appeal the charges or later appeal the sentence.

One of the continuing sources of complaints concerning the system of criminal justice has centered around use of the night courts in Panama City and Colón. Judges, operating from 6:00 P.M. until 6:00 A.M., have been accused of dispensing justice in an arbitrary and summary manner. Some offenders have found themselves serving a sentence (of up to one year) without ever having been allowed to consult an attorney. The independence of the judiciary has also been called into question because of executive interference and, more particularly, because of interference from the G-2 of the Defense Forces, which has assumed de facto right of review in criminal cases.

The Penal System

Article 27 of the Constitution declares that the prison system is based on the principles of security, rehabilitation, and the protection

of society. Provisions have been made to establish training programs designed to teach skills and trades that will afford prisoners the opportunity of reentering society as useful citizens after they complete their sentence. The same article also prohibits physical, mental, and moral abuse of prisoners. Juvenile offenders who were sentenced by a court were cared for in a special system that provided protection and education and attempted to rehabilitate minors before they came of age. Women were also segregated in the penal system.

The Department of Corrections was established in 1940 to administer the country's penal system for the Ministry of Government and Justice. Operation of the prisons had previously been a direct function of the National Police. The intention of the government officials who established the Department of Corrections was to end the inherent abuses in the system, but the new department was never properly staffed, and police had to be used as jailers. The same situation continued in the mid-1980s; because of understaffing in the Department of Corrections, most jails were staffed by members of the Defense Forces, and the prison system was still considered an entity of the FDP. Other abuses apparently also continued. Major complaints expressed about the penal system concerned overcrowding, poor sanitation facilities, and lack of adequate medical attention.

The Isla de Coiba has been the site of the Coiba Penal Colony, Panama's most severe prison, since 1919. Although most of its prisoners were sentenced by courts to specified terms, sometimes persons were sent to Coiba while awaiting the results of pretrial investigation or awaiting sentencing, a violation of judicial regulations, if, as indicated in the criminal code, Coiba was the most severe regime in the prison system. The prisoners were housed in a main camp and in several small camps scattered about the island, but there was no indication that pretrial detainees were segregated from prisoners serving sentences. In the main camp, there were some facilities for rehabilitation training and a small school; however, many of the inmates had little or no access to those facilities because they lived some distance from the main camp. Work was required of all prisoners, including those awaiting trial or awaiting sentencing. Labor was unremunerated for the majority of prisoners, most of whom were engaged in farming and animal husbandry in areas that they or former prisoners had cleared of jungle growth. Some mechanics and other skilled craftsmen received small wages for their labor.

Another major prison, the Model Jail (*Cárcel Modelo*), in Panama City was built in 1920; over the years, however, it acquired a

reputation that belied its name. Its biggest problem, one not unique to the Model Jail or to Panama, was overcrowding. Cells intended to house three inmates were frequently found to have as many as fifteen; this severe overcrowding may have accounted for the large number of pretrial detainees that were sent to Coiba. First offenders confined to the Model Jail were not always segregated from hardened criminals, a pattern that prevailed throughout most of the prison system. Prisoners awaiting trial were often confined for extended periods before their cases appeared on a court docket, and there were complaints that rights to habeas corpus had been violated by holding some offenders incommunicado.

There was a jail in each provincial capital. The same complaints of overcrowding and abuse of rights were reported from the outlying provinces.

In contrast to the conditions under which male prisoners served sentences and awaited trial, women received much better care. The Women's Rehabilitation Center (Centro Feminino de Rehabilitación) in Panama City appeared to be an ideal prison. The center was under the supervision of the Department of Corrections, as were all prisons in Panama, but it was operated by nuns who had established a reputation for discipline tempered by humaneness and decency. Few complaints were reported from prisoners at the women's center. When first arrested, however, women were sometimes held overnight or for several nights at the Model Jail where, even though segregated, women experienced conditions that differed little from those described for men.

Incidence of Crime

The number of persons arrested for felonies and misdemeanors rose from 18,491 in 1980 to 20,073 in 1983 or from 9.5 per 1,000 inhabitants in 1980 to 9.6 per 1,000 inhabitants in 1983. When figures were broken down according to province, the greatest number of arrests in 1983 were found in the most populous province, Panamá, which accounted for approximately 50 percent of the total. Chiriquí and Colón ranked second and third in number of arrests, and in each case the principal cities (David and Colón) accounted for very high percentages of the totals. The statistics gave no details concerning the crimes for which the listed arrests were made.

Crimes by juveniles (persons under eighteen) increased during the early 1980s. The number of cases handled by the Guardianship Court for Minors rose from 2,923 in 1980 to 3,136 in 1983. Although juvenile offenses ran the gamut from homicide (17 in 1983) to traffic infractions serious enough to be taken to court

(275 in 1983), the largest increases were in the categories of property damage, attacks against persons, and fights.

National Security

As perceived by the Defense Forces, threats to national security were of two basic types: those arising from domestic insurgency and those of foreign origin. Although the FDP has conducted military exercises to deal with the contingency of guerrilla activity, there was no such activity in Panama through the mid-1980s.

To understand the military's perception of internal threat, it is important to note that the Defense Forces were closely identified with the formation of the political regime in existence in the late 1980s. This regime was formed in 1968 when Torrijos and the National Guard seized power through a coup d'état. For two decades, the military served as the ultimate guarantor of this political regime, whether headed as it was in the early 1970s by Torrijos or later by a succession of civilian presidents. Given this history of close military association with the existing political regime, there has been a tendency to view any domestic political challenge to it (democratic or otherwise) as a threat to national security.

The belief by members of opposition political parties that the direct elections for president held in 1984 had been rigged by the FDP led them to challenge the legitimacy of Ardito Barletta's government. When he was removed by the Defense Forces in 1985 and replaced by Eric Arturo Delvalle Henríquez, political opposition groups became even more vociferous in their charges of military interference in politics. Charges of electoral fraud and FDP involvement in perpetrating it were rendered even more credible in 1986, when articles in the *New York Times* cited high United States government officials as having proof that the electoral results had been rigged.

Responses by the Defense Forces to these charges of electoral fraud demonstrated the relationship they saw as existing between domestic political opposition and national security. In April 1986, following a period in which United States congressmen and Panamanian political parties openly criticized the Defense Forces, 400 lieutenants issued a statement that was read by one of their number on national television. The "Lieutenants' Declaration" suggested that foreign and domestic groups were attacking the FDP in an effort to destroy its national cohesion and undermine national security: "For the first time in our republican history . . . political groups—although they consider themselves to be democratic and idealistic—have adopted an open position of selling out the national interest and have opened up the embarrassing possibility of foreign intervention."

The FDP viewed this threat to national security as also emanating from the links between the domestic political opposition and certain United States congressional leaders opposed to the existing regime. President Delvalle and the FDP suggested that there was a "seditious plot" involving the United States Department of State and certain "bad Panamanians" aiming not only to have the president removed from office but also to roll back the clock to the 1960s, when the oligarchy dominated the political arena.

Troops of the Defense Forces, particularly the First Public Order Company (Doberman), have been used on occasion to quell domestic rioting viewed as a threat to national security. Most public demonstrations and riots during the mid-1980s resulted from deteriorating economic conditions related to the global recession. In 1986 the National Council of Organized Workers called a forty-eight-hour general strike that eventually resulted in some random violence and one death. The most extensive use of military forces to quell domestic violence came in 1987, following accusations about Noriega's involvement in electoral fraud and narcotics trafficking made by the forcibly retired former chief of staff, Colonel Roberto Díaz Herrera.

Whereas the Panamanian military's role as a police force had traditionally conditioned it to concentrate on internal threats to national security, the FDP has increasingly turned its attention to the external environment. The crises affecting several of the countries in Central America, coupled with the FDP's assumption of the new military mission of defending the canal, have led to a serious concern with security policy in the broadest sense. New units such as the Peace Battalion were specifically charged with defending the border and preventing illegal immigration from countries such as Nicaragua and El Salvador. Battalion 2000's participation in United States-Panamanian military field exercises was intended to make it capable of rebuffing threats to the canal from guerrilla groups supported by a foreign power.

To the extent that Panamanian foreign policy is a reflection of opinion within the FDP, it suggests that the military thinks geostrategically about the security of the canal in the context of a volatile regional situation. Panama, as one of the original "Core Four" mediators (along with Mexico, Venezuela, and Colombia) in the Contadora peace process (see Glossary), has been an active participant in the search for negotiated peace settlements in Central America. However, the Panamanians have argued, often through Noriega, that any peace treaty for Central America with no military "teeth" would not bring true peace. In addition, Noriega has often stated that the region's military leaders must be actively

involved in the peace process. The FDP's view appears to be that the security of Panama and the canal demands a strong regional military structure capable of ensuring treaty compliance. From the above, it can be gathered that the FDP has come to view questions of national security in much the same light as they have traditionally been viewed by other Latin American armies.

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The magazine *Defensa*, published by the G-3 of the Defense Forces, is an indispensable source of information concerning military developments in Panama. It contains articles on organizational structure, military exercises, and political orientation. For a broad understanding of the historical evolution of the military since independence, two books are useful: Renato Pereira's *Panamá: fuerzas armadas y política* and Steve C. Ropp's *Panamanian Politics: From Guarded Nation to National Guard*. The Panama Canal treaties, implementation agreements, and records of congressional hearings on the treaties are essential as sources of information on Panamanian security affairs and the future United States role in those affairs. The administration of justice as well as a range of matters affecting United States-Panamanian security relations were treated at length in the hearings on "The Situation in Panama" held by the United States Senate in March and April 1986. (For further information and complete citations, see Bibliography.)

