

Reclaim Our Canal!

The Establishment media have presented the Panama Canal transfer as a done deal, but their fallacies can be fought with the facts. If not reversed, this illegal and invalid transfer will allow Red China to turn the Canal into an enemy stronghold.

The Panama Canal issue is far from over. The 1977 treaties under which the transfer has taken place are still invalid, and the security problems presented by the Communist Chinese and the Colombian drug lords have not gone away. We cannot even begin to expect Panama to have near the capacity and ability to deal with these powerful entities and threats to the Western Hemisphere.

We can either sit around and wait for something bad to happen, and then react, or we can take preemptive measures now, restoring the security of the region, and functioning under valid law.

We must as a Congress declare that these treaties are already, in fact, null and void, and are now being officially terminated. In so doing, Congress will send a signal to Panama that we must reestablish the strength and authority of the United States for this critical area. That is what House Joint Resolution 77 accomplishes, and I intend to continue to strongly push this legislation in the upcoming year. In fact, as more and more members of Congress learn about the seriousness of this issue, the momentum of this bill will steadily increase — and I anticipate it being a major issue in the presidential and congressional campaigns this year.

—Rep. Helen Chenoweth-Hage (R-ID)
statement to THE NEW AMERICAN
January 4, 2000



Rep. Chenoweth-Hage

by William F. Jasper

The forces that have been pushing relentlessly for decades for the surrender of the U.S.-built, U.S.-owned Panama Canal fervently hope that you will believe the battle is over. It is not. As Rep. Chenoweth-Hage has said, it "is far from over." Members of Congress all across the country have reported amazement at the level of concern expressed by so many of their constituents, especially since news concerning the Panama Canal has been virtually blacked out by the Establishment media. As Congress goes back into session, the real battle begins. Many fallacious arguments are being offered by the politicians and pundits to head off the mounting effort to reverse this betrayal. Here are facts to answer the fallacies.

FALLACY #1: *We can't break the treaties; we can't go back on our word.*

Honoring treaty obligations is a serious matter, which is precisely why the 1977 Carter-Torrijos Treaties must be repudiated. They are not legal, valid treaties. In his almost monomaniacal obsession with giving away the Canal, President Jimmy Carter engaged in massive deceptions that provided more than sufficient grounds for his impeachment. He, for instance, intentionally did not inform the Senate that the treaties it had ratified were entirely at odds with the final versions adopted by Panamanian Marxist dictator Omar Torrijos. In order for the treaties to be legal, it was necessary for President Carter to resubmit them to Congress to accept or reject Panama's changes. He did not do this. Instead, he hid from Congress the fact that changes had been made. Thus, the treaties were then, and are now, null and void on the

most fundamental point of treaty law, namely, that both parties to a treaty must agree to the exact same document.

As treaty expert Dr. Charles H. Breecher pointed out in his Senate Judiciary Committee testimony in 1983,

The Panama Canal treaties have not, I repeat, been ratified in international law, and they therefore did not go into effect on the 1st of October 1979, and are not in effect now.

The reason is very simple. In their respective instruments of ratification, the United States and Panama did not agree to the same text of treaties....*

The Carter-Torrijos Treaties being null and void, we revert back to the still-valid 1903 Hay-Bunau-Varilla Treaty, under which we purchased the land and built the Canal, and were granted sovereignty over it *in perpetuity* — that is, forever!

President Carter admitted that the treaties could not have been ratified by the U.S. Senate without the DeConcini Reservation, which provided that the U.S. would have the *permanent* right, at its own discretion, to intervene militarily at any time that the Panama Canal may be endangered. Panama's Torrijos Reservation cancels DeConcini, asserting that any military intervention "will be effected in a manner consistent with the principles of mutual respect and cooperation." Meaning that U.S. intervention could only be carried out with Panama's permission. And if the Panamanian politicians, through corruption or coercion (or both), are in the pockets of China

* The legal nullity of the Carter-Torrijos Treaties was fully established in the Senate Judiciary Committee hearing of June 23, 1983. The John Birch Society has reproduced an extensive selection of important expert testimony from this hearing, as well as from other sources, which can be downloaded from its Internet web site (www.jbs.org/canal/).



NOAA

and/or the Colombian drug lords, how likely are we to receive their permission?

There are additional legal and constitutional grounds for challenging the treaties. It is a universally accepted principle of treaty law, for example, that a party to a treaty may terminate its treaty participation and obligations if it determines that circumstances have changed substantially since the time when the agreement went into effect. The United States, like virtually every other country, has terminated treaties on this basis. As will be evident from information provided below, circumstances have changed substantially since 1978, when the Senate ratified the Carter-Torrijos Treaties. Even if those treaties *had been* legal and valid at one time, there could be no justification for continuing to adhere to them now.

FALLACY #2: *It's too late now; we've already exited the Canal. It's a "done deal."*

On December 31, 1999, President Clinton went through with the illegal transfer of the Canal to Panama. It is true that by failing to deal with this issue and rectify matters before that date and before our troops were removed, Congress has allowed the situation to become much more

politically sticky and complex. But it is not irreversible. Control and defense of the Panama Canal by the United States is not only an issue of legal right, but of national necessity. Red China — an aggressive, totalitarian, Communist power which considers the United States its "Number one enemy" — is accelerating its buildup in

Panama. We only compound the danger to our security by denying this reality. Will we be in a better position to act if we wait until China has exercised its options on the U.S.-built, U.S.-owned military bases in the Canal Zone and can then operate from fortified positions? In November 1999, Representative Helen Chenoweth-Hage

What Can Be Done?

- Don't wait. Write, call, fax, or e-mail your representative and two senators now, asking them to give the Panama Canal issue the top priority attention it deserves. Ask your Representative to support H. J. Res. 77 (or thank him/her for already doing so); ask your senators to introduce the same measure in the Senate.

If you do not know who these elected officials are or do not have the information you need to contact them, visit the John Birch Society's "Congressional Resources" web page at its Internet web site: www.jbs.org/congress/. There you can simply enter your zip code and the information you need is immediately available. This web site will even allow you to send an instant e-mail to your congressional delegation.

- Visit the John Birch Society's Panama Canal web page for a wealth of vital information on the Panama Canal, including Admiral Thomas Moorer's excellent article "Save Our Canal!" (*THE NEW AMERICAN*, August 2, 1999).
- Distribute "Reclaim Our Canal!" to your friends, associates, local service clubs and patriotic organizations, newspaper editors, and talk-show hosts (see page 17 for ordering information).
- Continue writing, faxing, and calling your elected officials on this issue until it is brought to a vote in Congress. ■

(R-ID) introduced House Joint Resolution 77, the Panama and America Security Act, which would declare the Carter-Torrijos Treaties null and void. Before Congress recessed for Christmas in November, Rep. Chenoweth-Hage had gathered 26 co-sponsors for the resolution. During the holiday break a number of additional House members indicated they too will sign on to the bill. This is not merely a "sense of Congress" resolution without authority, as are most resolutions. The joint resolution process is the common method by which treaties are terminated, as members of Congress can easily confirm by consulting their copies of Jefferson's Manual and Rules of the House of Representatives (pp. 300-301). The joint resolution is a legislative act with legal force.

FALLACY #3: *Even if we could get Congress to pass H. J. Res. 77, it would be a futile gesture, since Clinton would veto it.*

The termination of a treaty is different from other legislation in that it is not subject to presidential approval or veto. The first four treaties terminated by the United States were terminated by a simple majority vote of Congress alone, without presidential signature. Nonetheless, we concede that President Clinton will try to veto the legislation, if it is passed by Congress. And he will, no doubt, find some left-wing legal authorities to back him up. But that is no reason to forgo the fight. This is an important issue that resonates with the American people. At the time of the Carter-Torrijos Treaties fight, public opinion polls showed Americans consistently and overwhelmingly opposed to the giveaway. A recent Zogby poll found that 49 percent of Americans are still opposed to the giveaway (as compared to 29 percent in favor) — in spite of the one-sided, pro-treaty media propaganda. Recent polls in Panama show that over 60 percent of Panamanians want the U.S. military to stay there. The Panamanians recognize their vulnerability even if U.S. "experts" do not.

By bringing H. J. Res. 77 to a vote, we will dramatically raise the visibility of this strategic issue and put all members of Congress on record over this vital matter concerning our national security. It can, and must, be made into a key issue in the coming 2000 elections.

FALLACY #4: *The defense requirements of the Panama Canal are fully provided for under the Carter-Torrijos Treaties.*

How so? Panama has no army, navy, or air force. It can not defend itself against even the terrorist armies of the drug cartels, let alone Red China. Former Chair-



Calling the shots: Admiral Thomas H. Moorer predicted in 1978 that another power would move into the Canal in lieu of the United States. Red China is that power.

man of the Joint Chiefs of Staff Admiral Thomas H. Moorer (Ret.) testified back in 1978 that the departure of U.S. forces from Panama would create a power vacuum that would be filled by another power. That is already happening, as Red China, by way of corporate surrogates, has moved into Panama. To the south, the FARC terrorists of Colombia are a major threat to Canal security. Unless the U.S. reasserts its rightful control over this strategic asset, Lieutenant General Gordon Sumner (Ret.) told THE NEW AMERICAN recently, "I think it is highly likely that we will see the Canal shut down before the year 2000 has ended."

General Sumner is a leading defense authority in this area whose warnings should not be ignored. As a former chairman of the Inter-American Defense Board, he held responsibility for overseeing the defense posture of all of the armed forces of the Western Hemisphere under the Rio Treaty, and over the past 20 years has closely monitored developments in Panama and Latin

America.

The Carter-Torrijos Treaty advocates continue to assure us that the U.S. may send in military forces if the Canal is threatened. There are many problems with this argument, including: 1) We have no reason for confidence that Mr. Clinton and his political and media allies would admit to a "threat" to the Canal even if China should overtly move to take it over; 2) once the Canal has been sabotaged or destroyed, our military re-occupation will be of decidedly less value than if we had been on site to prevent such acts of sabotage and destruction; and 3) the sacrifice of American lives in trying to retake the Canal with the enemy bunkered in (U.S.-built) fortified positions will be very costly.

And, as we have already pointed out, the Panamanian government has rejected our asserted treaty right to militarily enter the Canal Zone without its permission. We can be sure that if the U.S. sends in forces against the wishes of the Panamanian politicians, we will see an eruption of condemnations from the Organization of American States, the United Nations, the European Union, and the U.S. and world press. Is it likely that U.S. politicians will go against this orchestrated opposition at a crucial point in the future if they will not take a stand now when the costs would be much lower?

In addition to the above, it should be noted that under Panama Law No. 5, passed in 1997, Panama gave concessions on our military bases in the Canal Zone to a Red Chinese front company known as Hutchison Whampoa. This is a blatant violation of the Carter-Torrijos Treaties, which provide that *only* Panama may operate defensive sites in the Canal Zone. Thus, in addition to being null and void from the outset, the fraudulent 1977 treaties have now been abrogated by Panama in this important matter.

FALLACY #5: *What do you advocate: Sending troops into Panama; starting a war? That is not only immoral but will really set off anti-American riots, demonstrations, and denunciations around the world.*

Where were these "moralists" when

President Clinton was sending thousands of troops to war in Somalia, Haiti, Bosnia, Kosovo, and other far-flung reaches of the globe? They did not complain that thousands of refugees were killed and hundreds of thousands made homeless by our bombing campaigns.

Unlike these areas of U.S.-UN/U.S.-NATO military operations, the Panama Canal is clearly a national security interest of the United States. Also, unlike Bosnia, Kosovo, etc., we would not be "starting a war," since, as already mentioned, Panama does not have any armed forces, and a significant percentage of Panamanians would welcome the return of U.S. troops. In fact, some Panamanians are proposing that Panama petition the U.S. for "common-

as the U.S. Supreme Court has affirmed. We paid for it, we built it, we need it, it's ours, let's keep it.

FALLACY #7: *There is no evidence that the People's Republic of China (PRC) has any interests or presence in Panama.*

Concerning the very real threat posed to the U.S. and the entire Western Hemisphere by Red China in Panama, Admiral Thomas H. Moorer wrote this, in an article for THE NEW AMERICAN ("Save Our Canal!," August 2, 1999):

The Chinese penetration of Panama has been effected primarily through an entity known as the Panama Ports

Red China — an aggressive, totalitarian, Communist power which considers the United States its "Number one enemy" — is accelerating its buildup in Panama.

quoted in the *South China Morning Post* as stating that China Resources was "an agent of espionage — economic, military, and political — for China." Shen Jueren, the Communist official who heads China Resources, and Li Ka-shing are both partners in the Riady family's Hong Kong Chinese Bank. Dr. Li is also a principal in the PRC's huge China Telecom, and the China International Trust and Investment Corporation (CITIC), a ministry-level conglomerate with global assets of \$21 billion run by Chinese "princeling" Wang Jun. As chairman of Poly Group, Wang Jun also serves as the PRC's main arms dealer to Communist regimes, terrorists, and rogue states. Nevertheless, Shen Jueren and Wang Jun, like many other notorious Red Chinese agents bearing campaign gifts, were welcome guests at the Clinton-Gore White House.

President Clinton himself unintentionally confirmed the central point of Moorer's contention at a November 30, 1999 Oval Office press briefing. When asked by a reporter, "You're not worried about the Chinese controlling the Canal?" Mr. Clinton responded: "I think the Chinese will, in fact, be bending over backwards to make sure that they run it in a competent and able and fair manner.... I would be very surprised if any adverse consequences flowed from the Chinese running the canal."

Los Angeles Times staff writer Norman Kempster reported the following day, December 1st, that "Clinton administration officials were aghast at the president's use of the phrase 'running the canal,' which picked up the rhetoric of Moorer and his allies." On December 9th, Mr. Clinton stated that his reference the previous week to China "running the canal" was a "misstatement."



Lt. General Gordon Sumner: "I think it is highly likely that we will see the Canal shut down before the year 2000 has ended."

wealth" status similar to that of Puerto Rico.

FALLACY #6: *It is long past time that we get rid of this last vestige of American colonialism.*

The Panama Canal is no more a U.S. "colony" than is Alaska, Hawaii, or Puerto Rico. We paid for it — four times: We paid the government of Panama, the private property owners within the Canal Zone, and the French Canal company; and then we paid the extraordinary cost of building the Canal. We were not "renting" the Canal, as former President Jimmy Carter falsely claimed; we own it outright,

Company, a front corporation for Hutchison-Whampoa Limited, a Communist Chinese-controlled company owned by Hong Kong billionaire Dr. Li Ka-shing. Dr. Li's business empire has long been intertwined with enterprises that front for the Communist military and intelligence arms of the People's Republic of China. Ten percent of his Panama Ports Company is owned by China Resources, the commercial arm of China's Ministry of Trade and Economic Cooperation.

Two years ago, on July 16, 1997, Senator Fred Thompson (R-TN) was

The U.S. paid for the Panama Canal: We paid the government of Panama, the private property owners within the Canal Zone, the French Canal company, and the huge cost of building the Canal. We were not "renting" the Canal, as former President Carter falsely claimed; we own it outright. We paid for it, we built it, we need it, it's ours, let's keep it.

FALLACY #8: *Hutchison Whampoa is merely a Hong Kong-based, private company, with no significant, or sinister, relation to the PRC.*

As sinologist Nicholas Eftimiades thoroughly demonstrated in his authoritative 1994 study, *Chinese Intelligence Operations* (Annapolis: Naval Institute Press), accepting Chinese "business" at face value is unforgivably naive. All companies in the PRC are subservient adjuncts of the Communist Party and the Ministry of State Security (MSS), the Chinese equivalent of the KGB. This does not mean that all PRC companies are fronts for espionage and intelligence, but all *can be* pressed into such service. Eftimiades, a top China analyst at the Defense Intelligence Agency, notes:

It appears that the most effective use of stealing foreign technology involves the use of recruited agents in Hong Kong. Examination of several public cases of attempted (and successful) thefts of high technology reveals a unique pattern of operation. The recruited agent establishes a front company in Hong Kong. The company may in fact carry on legitimate trading activities in addition to illegally purchasing and shipping technology.... The persistent use of Hong Kong as a transfer point is significant because it reveals a pattern of operation.

According to Eftimiades, Hutchison Whampoa partner China Resources is a prime example of the way MSS case officers "make extensive use of commercial covers." "For example," he notes, "a vice president of the China Resources Holding Company ... in Hong Kong is traditional-

ly a military case officer from Guangzhou. This officer coordinates the collection activities of other intelligence personnel operating under [China Resources] cover. The division maintains several other cover companies in Hong Kong and Macao as well."

The 1999 report of the House Select Committee on U.S. National Security and Military Commercial Concerns With the People's Republic of China (known as the Cox Report) noted that Hutchison partner CITIC, the China International Trust and Investment Corporation, has been involved in many illegal activities in the past involving U.S. national security. The Cox Report states:

In 1996, Hong Kong Customs officials intercepted air-to-air missile parts being shipped by CATIC [China National Aero-Technology Import-Export Corporation], aboard a commercial air carrier, Dragonair. Dragonair is owned by China International Trade and Investment Company (CITIC), the most powerful and visible PRC-controlled conglomerate, and the Civil Aviation Administration of China (CAAC).

The Cox Report also noted another CITIC-CATIC joint operation to acquire U.S. aircraft manufacturing technology and access to other aerospace firms through purchase of an interest in MAMCO Manufacturing, an aircraft parts manufacturer in Seattle.

In his "Save Our Canal" article in *THE NEW AMERICAN*, Admiral Moorer pointed out another highly unsavory association between Hutchison Whampoa and one of China's most dangerous assets. Moorer wrote:

... Hutchison-Whampoa is a partner with the China Ocean Shipping Company (COSCO), the merchant marine arm of the People's Liberation Army (PLA). Hutchison-Whampoa also controls countless ports around the world. Because of its relationship to the PRC and the potential impact this

implies for our global maritime interests, this should be of major concern to the United States. But my specific concern is that Beijing, operating through this company, has virtually achieved, without a single shot being fired, a stronghold on the Panama Canal, something which took our country so many years and such tremendous effort to accomplish.

"Although presented as a commercial entity," the House Task Force on Terrorism and Unconventional Warfare has reported, "COSCO is actually an arm of the Chinese military establishment." Hutchison Whampoa and COSCO work hand-in-glove throughout the world establishing a global network of ports and shipping lines that serve the military, intelligence, and commercial interests of the PRC.

Li Ka-shing, chairman of Hutchison Whampoa, sits on the board of the PRC-controlled CITIC, as well as other official, Red Chinese, state-run enterprises.

FALLACY #9: *But Dr. Li Ka-shing is not a Communist, he's one of the world's richest capitalists.*

Li Ka-shing's "cozy relationship" with the PRC began back in the 1970s, a full two decades before Beijing's takeover of Hong Kong. According to biographer Anthony B. Chan, author of *Li Ka-shing: Hong Kong's Elusive Billionaire* (1996), Li was invited to join CITIC in 1979. "For Li," says Chan, "an appointment to Beijing's top investment arm was nothing short of an honor." Li has grown unimaginably rich with PRC backing and business, while Beijing has secured numerous ports, huge technological infusions, access to the global business community, and numerous additional benefits through Li's gracious services. Anthony Chan also reports that "Li was the vital go-between that the geriatric bosses of Beijing needed to firm up the support of Hong Kong's other leading merchants in the smooth recovery of the colony to China in 1997." In 1992, Li received his honorary doctorate from the PRC's Beijing University. The degree was bestowed personally by the PRC's top Red, Jiang Zemin.

Li has not only played a major role in helping the PRC acquire digital telecommunications systems that have greatly ad-

vanced China's military communications capabilities, but he is also involved in a current massive effort to acquire an alarming degree of influence and control over wireless communications in the U.S. and Europe. On June 23, 1999, VoiceStream Wireless Corporation, based in Bellevue, Washington, announced that Hutchison Telecommunications PCS, a subsidiary of Hutchison Whampoa, had played a key role in the merger of VoiceStream with Omnipoint Corporation, and that Hutchison had agreed to "an additional cash investment of \$957 million into the combined company." "The combined company provides service to over one million customers," said the VoiceStream press release, and comprises "the second largest PCS license holder and the fourth largest wireless company in the United States in terms of people in licensed areas." The combined company, which will be 30 percent owned by Hutchison Whampoa, provides PCS service in New York, Philadelphia, Boston, Miami, Detroit, Denver, Seattle, Phoenix, Salt Lake City, and Portland.

FALLACY #10: *Hutchison Whampoa will not be "running the Canal"; it merely has port facilities in the Canal Zone.*

In a December 9, 1999 press statement, President Clinton said: "The Hong Kong company which got the concession to operate the ports will be responsible for loading and unloading ships. They also do this in three or four ports in Britain. It's one of the biggest companies in the world. The manager is British. Most of the employees will be Panamanian." "I feel comfortable that our commercial and security interests can be protected under this arrangement," Mr. Clinton said. Apparently sharing his comfort, most of the media editorialists and commentators dutifully and uncritically regurgitated this pabulum.

As Admiral Moorer has repeatedly pointed out, Panama Law No. 5, passed by the Panamanian legislature on January 16, 1997, did far more than grant Hutchison Whampoa port concessions. This law, he noted, gives Hutchison Whampoa — and, therefore, China — exclusive concessions, including, among other things: "Control of

the port of Balboa on the Pacific end of the canal and the port of Cristobal on the Atlantic end. In addition to these critical anchorages, Hutchison was granted a monopoly on the Pacific side with its takeover of Rodman Naval Base, a U.S.-built, deep-draft port facility capable of handling, supplying, refueling, and repairing just about any warship."

Moreover, Moorer observes, it grants Li Ka-shing's company responsibility for hir-



Dr. Li Ka-shing: Head of Hutchison Whampoa, Li has played a major role in Beijing's expansionist strategy.

ing new pilots for the Canal. "Pilots have complete control of all ships passing through the canal," says Moorer. "They determine which ships may go through and when."

Attorney Bruce Fein, testifying on behalf of the National Security Center before the Senate Armed Services Committee Hearing of October 22, 1999, noted the glaring conflict between Panama Law No. 5 and the Carter-Torrijos Treaties. Fein testified:

Consider the plain and extraordinarily unambiguous words of Article V of the Neutrality Treaty: "After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites, and military installations within its national terri-

tory." Article V thus forbids Panama from delegating or contracting the operation of the Canal to a third party. It further forbids a third party from maintaining "defense sites."

But Panama Law No. 5 apparently does precisely what Article V prohibits. As noted previously, Article 2.1 of the law grants a 25-year renewable operating concession to the Panama Ports Company. By no stretch of the imagination, however, can the Ports Company be said to be the alter ego of the Republic of Panama. Indeed, the Company is controlled by Hong Kong based Hutchison-Whampoa....

Thus, Panama Law No. 5 in effect transfers authority over the operation of the Canal substantially to the PRC, although the Treaty says "only the Republic of Panama shall operate the Canal." And on that count an additional worry is raised by Articles 2.10c and 2.12i of Law No. 5 which authorize the Ports Company to operate its own pilotage service. The former endows the Company with the "right to have and to operate, under separate concession by the National Port Authority, tug boats and work boats, vessel repair service and piloting service." Under the latter, the clients of the Ports Company may contract directly for pilots if dissatisfied with pilots designated by the National Port Authority or the successor to the Panama Canal Commission. Moreover, Article 2.12a of the law grants the Ports Company "the right to use on a priority basis all the piers" in the existing ports of Balboa and Cristobal.

FALLACY #11: *The Panama Canal Commission insists that it, not Hutchison Whampoa, will maintain control over scheduling of ships and piloting.*

That is a far from convincing assurance. The Commission members, like many of the other members of government appointed by former Panamanian President Balladares, have been convincingly accused of rampant bribery and corruption. The PRC and Hutchison Whampoa reportedly won passage of Panama Law No. 5 with bucket loads of bribe money, and

they are not likely to let up on that practice. The fact is that the Commission has already backed down many times when push came to shove with Li's company. The Panama Canal Commission even caved in when Hutchison Whampoa refused to allow the Commission's Customs inspectors to inspect Hutchison's sealed containers.

One who knows well the tricky business of piloting ships through the Panama Canal's complex currents and tight quarters is Captain Kenneth P. Puckett, who, during his 15-year tenure on the Panama Canal, served as Senior Ship Pilot, Pilot Training Officer, and Canal Port Captain. In 1991, he received the Panama Canal Commission Outstanding Employee Award. In his December 8, 1999 testimony before a subcommittee of the House Banking Committee, Captain Puckett stated:

Under Panama Law Number 5, the control of shipping, berthing and pilot assignments in the Ports of Panama will be granted to a private contractor. This contractor is the Hutchison Port Company, a Hong Kong based Chinese conglomerate. Consider for a moment this statement taken from an interview with President Dong of the Chinese shipping company COSCO as reported in the *Journal of Commerce* in August of 1998. In Mr. Dong's own words, "In order to satisfy our customers' needs, remain competitive, and preserve market share, COSCO must offer *confidential* contracts." If the Hutchison Port Company controls vessel scheduling and pilot assignments in the Ports of Panama, it stands to reason that they will give preferential service and insure priority transit scheduling to their customers. Remember that time is money, and there are a limited number of vessels that the Canal can accommodate on a daily basis. Any preferred scheduling practice will foster a bidding war among shipping agents, shipping companies, vessel owners and even countries, for that matter. Under such circumstances, how long will it be before the maritime industry worldwide loses confidence in the operations at the Panama

Canal? What effect will all of this have on the strategic requirements of the U. S. military? Will our warships continue to be given priority transit scheduling or will they be required to wait in line just like any commercial vessel?

FALLACY #12: *Concerning the potential for Hutchison Whampoa pilots to block the Canal or secretly to assemble caches of weapons at Hutchison's port properties, or to otherwise threaten the waterway, the Wall Street Journal asserted: "U.S. intelligence and military officials scoff at such fears."*

Officials and "experts" also scoffed at warnings of a Japanese attack on Pearl Harbor. There were also scoffers aplenty in the late 1950s and early 1960s when anti-Communists warned that Fidel Castro would turn Cuba into a Soviet base. No, the scoffers said, Castro is just a benevolent reformer. Then came the "Missile Crisis." Admiral Moorer and other authorities warn that in the same way Panama could be turned into a missile base by China. Common sense and precedent both repudiate the scoffers.

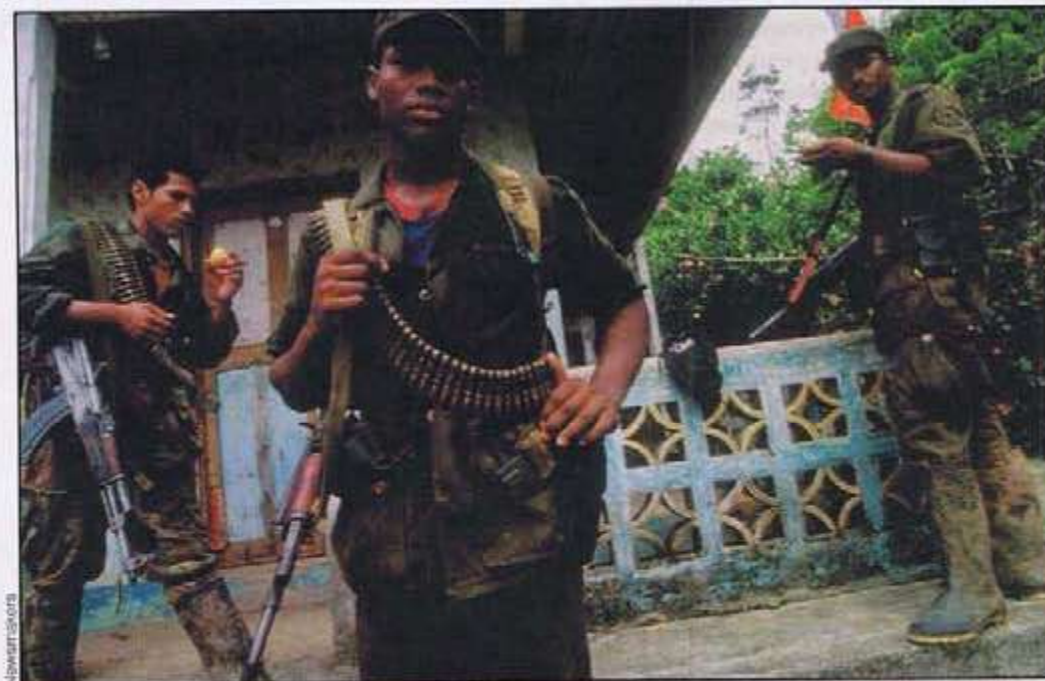
FALLACY #13: *The Red China threat has been grossly exaggerated. After all, Panama is more pro-Taiwan than we are; it has official relations with Taipei, not Beijing.*

And Taiwan has a larger port facility there than Hutchison Whampoa's.

Unfortunately, Panama's situation vis-à-vis Taiwan and the PRC is almost certain to flip-flop, if we do nothing. The Bahamas also recognized Taiwan — until Hutchison Whampoa moved in and established a port facility. Then the Bahamas dumped Taiwan and embraced Red China.

In testimony before a subcommittee of the House Banking Committee on December 7, 1999, Professor Tomas A. Cabal of Panamanian University stated:

The arrival in Panama of powerful Chinese companies has added a complex ingredient to the transfer of the Panama Canal.... Whatever the outcome from the presence of Hutchison Whampoa, the truth of the matter is that the People's Republic of China is rapidly filling the vacuum created by the departure of American military forces from the isthmus. Other Chinese companies such as The Great Wall of China, mentioned in the Cox Report, and COSCO are investing in Panama. Their presence adds to the danger of using the Colon Free Zone to purchase restricted technology with dual civilian military use. As reported by the *Miami Herald*, the Chinese are now operating two electronic eavesdropping stations in Cuba that



Another Red threat: Communist FARC terrorists have already attacked Panamanian targets.

allow their military forces to monitor U.S. communications. Chinese companies are investing in the modernization of the Panama Railroad and are actively seeking a contract to operate Howard Air Force Base....

FALLACY #14: *Concern about possible threats to the Canal from Colombia's FARC terrorists and the drug cartels is "silly." After all, as Los Angeles Times reporter Juanita Darling told her readers on December 18, 1999, "a nearly impassable border separates [Colombia] from the canal."*

On November 2, 1999, only weeks before Ms. Darling's report, FARC terrorists did indeed strike into the heart of Panama, hijacking two helicopters from the U.S.-built, U.S.-owned Allbrook Airbase and flying them to Colombia. On December 12, 1999, some 600-700 FARC (Revolutionary Armed Forces of Colombia) terrorists were involved in an attack on a Colombian naval base, located in the Pacific coast town of Jurado near the Panamanian border. Over 30 Colombian marines and one police officer were killed in the attack. In the past year, the Communist FARC forces have taken over some 15,000 square miles of Colombia, 40 percent of that country's land area. FARC has long been allied with both Cuba and China, and recently concluded a multi-million dollar "business deal" with the revolutionary terrorist regime in Iran.

Do Panama's "impassable" jungles provide adequate security against FARC incursions? Did Vietnam's "impassable" jungles stop the Communists from building the Ho Chi Minh Trail? The 150 miles from the Canal to the Colombian border hardly presents a more formidable barrier than the rugged Southeast Asian terrain through which the Reds punched hundreds of miles of trail. General Gordon Sumner, who is intimately familiar with the Panama Canal's defense needs, says it is ludicrous to put false hopes in Panama's natural barriers. "Colombia is 'Kosovo West,'" he told THE NEW AMERICAN, and it is certainly more deserving of our attention than the Kosovo imbroglio and many other military operations to which President Clinton has committed our troops. "There are many ways the FARC or other agents of the drug cartels could enter Pana-



Canal's strategic importance: Admiral Clarence A. Hill points out that carrier battle groups "are still dependent upon logistics through the Canal."

ma to threaten the Canal," he says. "In the case of the recent helicopter hijacking, they simply came in posing as tourists."

FALLACY #15: *The Canal is obsolete as a military asset, since our aircraft carriers are too large for the locks. Our two-ocean Navy didn't even use the Canal for the Kosovo War or Desert Storm.*

"You call Kosovo and Desert Storm 'wars'?" Rear Admiral Clarence A. Hill (Ret.) asks. "We lose less than 100 lives, mostly to our own fire, and they call it a war? That's the kind of patent nonsense we keep getting from supporters of the Canal giveaway." Those relatively painless victories have produced wildly unrealistic expectations about future conflict, warn Hill and other military realists. In a *real* war, things will be much different. Hill points out that while the aircraft carriers themselves do not go through the Canal, "they are still dependent upon logistics through the Canal." "How long do you think a carrier can operate in full-strike capability without logistic support?" he asks. Hill, who commanded the aircraft carrier *USS Independence* and served as Assistant Chief of Naval Operations, knows. "A nuclear carrier will not run out of fuel for 28 years, but their aircraft will run out of fuel in about 5½ days and their ammunition will run out in about 3½ days." If the United States gets into a real war, he warns, we will quickly learn how utterly foolish — and deadly — our cavalier dismissal of the Canal's military significance has been.

FALLACY #16: *Commercially, the Canal is no longer vital. Or as one journalist wag put it, "You don't ship Windows 98 through the canal."*

Yes, but the last time we checked, Windows 98 was not very edible, and it doesn't heat your home or run your car. In spite of all the stock market frenzy over "e-commerce," we're not aware of any "dot.coms" that are growing food or refining oil. As Captain Kenneth Puckett testified:

Each year, over 190 million tons of cargo pass through the Panama Canal. West Virginia coal goes directly to Korea, thus avoiding the extra five thousand miles around the tip of South America. Grain from America's heartland destined for the Far East accounts for 23% of all canal traffic. From my home state of Florida, over 100 million dollars worth of fruit and citrus is annually shipped through the Canal directly to Japan. Some 67% of Ecuador's maritime traffic, 43% of Peru's, 28% of Chili's, 70% of El Salvador's and 75% of Nicaragua's ocean commerce depend on the Canal. How would the U.S. and these countries get their products to market if the Panama Canal were to shut down tomorrow?

Are the harbors, ports, railroads, highways, and trucking systems of the United States capable of handling such a massive increase of cargo across our continent? Think about it. What would happen if only just a fraction of the 190 million tons of Canal cargo was suddenly infused into our current transportation system? The gridlock could virtually shut down our ports, railroads and highways. ■

REPRINTS AVAILABLE

Additional copies of this copyrighted article are available at two for \$1.00, 25 for \$10.00, 100 for \$35.00, or 1,000 for \$300.00 — add 15 percent, \$2.00 minimum, for postage and handling. Order from American Opinion Book Services, P.O. Box 8040, Appleton, WI 54912; by phone at 920-749-3783; or on-line at www.jbs.org/aobs/.