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## **Panama: Noriega President Of New Bank**

*by Deborah Tyroler*

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On Jan. 28, the Panamanian government's National Banking Commission denied that there was anything "abnormal or strange" about the opening last week of a new bank in Panama City run by the military. Gen. Manuel Antonio Noriega is listed as its president. The Commission's statement referred to a 01/27/89 Washington Post story that cited US and Panamanian sources as saying the Banco Institucional Patria (Institutional Bank of the Fatherland) represents a move to expand military control over the national economy and possibly, to obtain a larger portion of the drug-money laundering market. The Commission called the Post story "a new disinformation and destabilization attempt with political ends against the Panamanian financial system, discrediting the character of...Noriega, the Defense Forces and the country." The statement said the new bank, described as a subsidiary of the Defense Forces Benevolent Society, was issued a banking license in December 1987 after complying with all legal requirements. The bank's purpose is to "offer banking services to members of the Panama Defense Forces," who previously had to rely on the "limited services" of the military's credit union, the statement said. On the evening of Jan. 27, a separate denial was issued in the name of the Panama Defense Forces by Col. Angel Mina Justiniani, a senior member of Noriega's general staff. Mina is listed as the new bank's executive vice president. Col. Mina also described the Post story as "disinformation." According to an unnamed Panamanian banker cited by the Post (01/29/89), representatives of the World Bank are reportedly planning a visit to Panama in the near future. The team may also include representatives of the International Monetary Fund. The team is to meet with government officials to review Panama's economic situation and discuss the resumption of foreign debt service payments and government requests for new loans. Panama has not made payments on its nearly \$5 billion foreign debt since mid-1987. It currently owes interest and principal totaling about \$1.3 billion. In November, the government reportedly paid \$100,000 to the IMF to forestall the Fund from issuing a formal statement declaring Panama in default. (Basic data from Washington Post, 01/29/89)

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