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Washington Pressures Panama To Sign Treaties Permitting U.S. Officials To Investigate Local Banks

by Deborah Tyroler

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Disbursement of 20% of the \$480 million approved by the US Congress in May for aid to Panama is contingent on the signing of agreements permitting US authorities to conduct investigations of drug money laundering and certain white-collar crimes. Opposition is generalized against the so-called Legal Mutual Assistance Treaty, which would permit US access to documents and registers of money transactions among banks, insurance firms and companies incorporated in Panama. The National Lawyers Academy (CNA), the Panamanian Enterprise Executives Association, and the Banking Association, have publicly denounced all attempts to implement the bilateral treaty because it "violates juridical sovereignty," and would put an end to the confidentiality of the Panamanian financial system. An unidentified government spokesperson cited by the Agence France Presse said US pressures began Sept. 1. The spokesperson asserted that "[US Ambassador Dean] Hinton thinks that [Panama] is a hacienda. Thus, [bilateral] relations have hardened." Next, the spokesperson said that if the treaty is signed in its present form as desired by Washington, Foreign Minister Julio Linares will resign. Panamanian officials have submitted amendments to the treaty which effectively eliminate the delivery of information on economic and financial transactions unrelated to drug money laundering operations. According to the Foreign Ministry, the Panamanian team involved in negotiations with the US is comprised of deputy minister Jose Raul Mulino, National Bank general manager Luis Moreno, adviser Julio Berrios, and attorneys Ricardo Durling and Carlos Arosemena. On Oct. 31, a US delegation headed by assistant secretary of state for Latin American affairs, Michael Kozack, arrived in Panama City for "high level" meetings on bilateral agreements, including the legal assistance treaty. (Basic data from AFP, 10/31/90)

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