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C O N F I D E N T I A L PANAMA 08459

E.O.12356: DECL:OADR

TEXT
TAGS: PHUM, PGOV, ECON, ECIN, PM
SUBJECT: PANAMA DISTURBANCES: ROLE OF THE JEWISH
-- COMMUNITY

1. CONFIDENTIAL -- ENTIRE TEXT.

SUMMARY

2. ALTHOUGH PANAMANIAN JEWS CONSTITUTE LESS THAN ONE PERCENT OF THE COUNTRY'S POPULATION, THEY PLAY A LARGE ROLE IN ITS ECONOMY. THE JEWISH COMMUNITY'S BEHAVIOR DURING THE RECENT "NATIONAL CIVILIAN CRUSADE" STRIKE WAS THEREFORE CRITICAL TO ITS OUTCOME, AND BOTH THE CRUSADE AND THE REGIME LOBBIED HARD FOR JEWISH SUPPORT. ALTHOUGH THE JEWISH COMMUNITY ITSELF REMAINED DIVIDED -- THE ASSIMILATED SEPHARDIC CONGREGATION SUPPORTED THE STRIKE WHILE MIDDLE EASTERN JEWS ESCHewed PARTICIPATION -- SOME PANAMANIAN PUBLIC OPINION PERSISTS IN BLAMING "THE JEWS" FOR WRECKING THE CRUSADE'S MOST IMPORTANT WEAPON AGAINST THE REGIME. DESPITE THIS PERCEPTION, SOME SIGNIFICANT JEWISH BUSINESSES DID SUPPORT THE STRIKE. PANAMANIAN JEWS PLAN TO HOLD AN OPEN COMMUNITY

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CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2007

FOR COORDINATION WITH ^{ed} State

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MEETING ON JUNE 24 TO ASSESS THE CONSEQUENCES OF THE STRIKE OUTCOME FOR THEM.

PANAMANIAN JEWS: A SMALL GROUP WITH BIG INFLUENCE

3. PANAMA'S 7000 MEMBER JEWISH COMMUNITY REPRESENTS LESS THAN ONE PERCENT OF ITS TOTAL POPULATION, BUT PLAYS A LARGE -- AND VISIBLE -- ROLE IN ITS ECONOMY. JEWISH ENTREPRENEURS RUN SOME OF PANAMA'S MAJOR RETAIL STORES (E.G. MADURO, MOTTA, AND GRAN MORRISON), SUPPLIERS (E.G. FIDANQUE, TOLEDANO), AND INDUSTRIES (E.G. DUREX, INA). THEY OWN A SIZEABLE PROPORTION OF THE SHOPS IN PANAMA CITY'S CENTRAL AVENUE AND THE COLON FREE ZONE (CFZ). JEWISH BUSINESSMEN ARE INVOLVED IN PANAMA'S INTERNATIONAL BANKING SECTOR (E.G. BANCO CONTINENTAL, BANCOMER, BANCO DEL ISTMO, AND THE GOVERNMENT-OWNED BANCO NACIONAL DE PANAMA). PANAMANIAN JEWS ALSO PARTICIPATE IN POLITICS, WITH THE MOST PROMINENT PRACTITIONER BEING PANAMANIAN PRESIDENT ERIC ARTURO DELVALLE, ONE OF ONLY TWO JEWISH HEADS OF STATE IN THE WORLD.

BOTH SIDES SEEK JEWISH SUPPORT

4. GIVEN THIS POWERFUL INFLUENCE, PANAMANIAN JEWS' BEHAVIOR DURING THE JUNE 1987 "CRUSADE" STRIKE WAS CLEARLY ONE SIGNIFICANT FACTOR IN DETERMINING STRIKE EFFECTIVENESS. BOTH CRUSADE ORGANIZERS AND REGIME PROPONENTS ENDEAVORED TO WIN JEWISH SUPPORT THROUGHOUT THE SIX-DAY STRIKE. CRUSADE ORGANIZERS APPEALED TO JEWS' CIVIC VALUES AND RESPONSIBILITIES. FOR EXAMPLE, IN A JUNE 12 LETTER TO PANAMA'S THREE RABBIS, 15 FORMER LEADERS OF THE PANAMANIAN CHAMBER OF COMMERCE AND INDUSTRY (PANCHAM) ASKED THE JEWISH COMMUNITY TO JOIN OTHER PANAMANIAN IN THE CRUSADE'S CIVIL DISOBEDIENCE CAMPAIGN AS A "CIVIC GESTURE." EXILED OPPOSITION ACTIVIST ROBERTO EISENMANN JR. ENTREATED PANAMANIAN JEWS TO SUPPORT THE CRUSADE FOR SELF-RESPECT AND THE ESTEEM OF FELLOW PANAMANIAN, NOTING THAT "JEWISH BLOOD" RUNS THROUGH HIS OWN VEINS. SOME CRUSADE PROPONENTS RESORTED TO CRUDER METHODS OF "REQUESTING" JEWISH PARTICIPATION. FOR INSTANCE, A NUMBER OF JEWISH BUSINESSMEN REPORTED RECEIVING TELEPHONE THREATS.

5. IN ITS ATTEMPT TO COUNTER THE STRIKE, THE GOVERNMENT PRESSURED ALL MERCHANTS TO KEEP THEIR SHOPS OPEN. THOUGH THE JEWS DO NOT APPEAR TO HAVE BEEN SINGLED OUT FOR PARTICULARLY HEAVY-HANDED TREATMENT, SOME JEWISH RETAILERS CLEARLY PERCEIVED ECONOMIC REASONS TO ESCHEW STRIKE PARTICIPATION. ACCORDING TO ONE SOURCE, THE MIDDLE EASTERN JEWISH SHOPKEEPERS OF PANAMA'S CENTRAL AVENUE REPORTEDLY

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FEARED THE MILITARY WOULD PUNISH PARTICIPATION BY
BLOCKING THEIR ACCESS TO CONTRABAND MERCHANDISE
FROM THE FAR EAST. (COMMENT: IT IS WIDELY
BELIEVED HERE THAT CONTRABAND IS READILY AVAILABLE
FOR A PRICE, AND THAT THE PANAMANIAN MILITARY --
FDP -- ACTIVELY PARTICIPATES IN ITS PROCUREMENT
AND DISTRIBUTION. DISCUSSIONS THE EMBASSY HAS
C O N F I D E N T I A L SECTION 02 OF 03 PANAMA 08459

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HELD WITH LOCAL CLOTHING MANUFACTURERS CORROBORATE
OUR SOURCES' ACCOUNT. END COMMENT.)

JEW'S DIVIDED

6. MANY PANAMANIAN'S THINK OF THE JEWISH COMMUNITY
AS A MONOLITHIC GROUPING, AND THUS BLAME "THE
JEW'S" FOR UNDERMINING THE CRUSADE STRIKE.
PANAMANIAN JEW'S ARE IN FACT DIVIDED BY ETHNIC
DIFFERENCES INTO THREE SEPARATE CONGREGATIONS.
THE LARGEST, SHEVAT AHIM, IS COMPOSED OF NEARLY
700 (MALE) MIDDLE EASTERN JEW'S. KOL SHEARITH
ISRAEL, THE OLDEST CONGREGATION, COUNTS 150 (MALE)
JEW'S OF SEPHARDIC (SPANISH AND PORTUGUESE)
DESCENT. APPROXIMATELY 90 (MALE) EUROPEAN JEW'S
COMPRISE THE BETH-EL GROUP.

7. THE ETHNIC DIVISIONS WHICH DETERMINE
PANAMANIAN JEW'S' CONGREGATIONAL ALLEGIANCES ALSO
SHAPE THEIR PERCEPTION OF THEMSELVES AS A PART OF
PANAMANIAN SOCIETY, AND DISCERNIBLY AFFECTED THEIR
WILLINGNESS TO COOPERATE WITH THE CRUSADE. THE
CRUSADE THEREFORE SEPARATED THE THREE JEWISH
CONGREGATIONS INTO TWO GROUPS. KOL SHEARITH'S
SEPHARDIC JEW'S, CONSIDERED THE BEST ASSIMILIATED
INTO PANAMANIAN SOCIETY, INCLUDE SUCH PROMINENT
PANAMANIAN FAMILIES AS THE MADUROS, THE MOTTAS,
AND THE CARDOZES. ACCORDING TO ONE SOURCE, THESE
FAMILIES SAW THE STRIKE BOTH IN SOCIAL AND MORAL
TERMS. SOCIALLY, THEY COULD ILL-AFFORD THE
CONSEQUENCES OF NON-PARTICIPATION (I.E. LOSS OF
SOCIAL STANDING AND BENEFITS OF ASSIMILIATION).
THEY ALSO REPORTEDLY FEARED THE LONGTERM,
ANTI-SEMITIC BACKLASH CERTAIN TO RESULT FROM THEIR
INDIFFERENCE TO THE MOST IMPORTANT MORAL ISSUE IN
CONTEMPORARY PANAMANIAN POLITICS. CONSEQUENTLY,
THE OVERWHELMING MAJORITY OF THE KOL SHEARITH
CONGREGATION BACKED THE STRIKE AS MUCH FOR ITS
VALUE AS AN INSURANCE POLICY AGAINST "INEVITABLE"
ANTI-SEMITIC BACKLASH AS FOR ITS MORAL
SIGNIFICANCE. (COMMENT: THE DELVALLE FAMILY,

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WHICH ALSO BELONGS TO KOL SHEARITH ISRAEL, WAS A CONSPICUOUS EXCEPTION TO THIS VIEW. END COMMENT.)

8. BY CONTRAST, THE LESS-ASSIMILATED BETH-EL AND SHEVAT AHIM CONGREGATIONS CAST THEIR LOT WITH THE GOVERNMENT. A NUMBER OF FACTORS APPARENTLY CONTRIBUTED TO THIS DECISION. FIRST, MERCHANTS IN THESE CONGREGATIONS RISKED RELATIVELY GREATER ECONOMIC LOSS FROM A LENGTHY SHUTDOWN. SECOND, MANY MIDDLE EASTERN JEWISH SHOPKEEPERS DEPEND HEAVILY UPON THE FDP FOR ACCESS TO CONTRABAND MERCHANDISE. THIRD, A NUMBER OF SHEVAT AHIM AND BETH-EL JEWS BELONG TO THE LEAD PARTY IN THE GOVERNMENT COALITION, THE DEMOCRATIC REVOLUTIONARY PARTY (PRD), AND WERE THUS POLITICALLY OBLIGATED TO THE GOVERNMENT. IN ADDITION, MANY JEWS EVIDENTLY PREFER THE CURRENT GOVERNMENT HEADED BY A JEWISH PRESIDENT. FOR SOME, THE FEARED ALTERNATIVE WOULD BE A GOVERNMENT LED BY ARNULFO ARIAS, WHOSE ANTI-SEMITIC VIEWS ARE WIDELY KNOWN. BOTH CONGREGATIONS THEREFORE HAD GREATER INCENTIVE TO SUPPORT THE REGIME, OR AT LEAST TO REMAIN "NEUTRAL" BY KEEPING REGULARLY SCHEDULED HOURS.

PUBLIC MANIFESTATIONS OF ANTI-SEMITISM

9. HOWEVER THE NON-PARTICIPATING JEWS PERCEIVED THEMSELVES, THE OPPOSITION DID NOT HESITATE TO PLACE THEM IN THE PRO-GOVERNMENT CAMP AND CRITICIZE THEM PUBLICLY FOR THEIR "INDIFFERENCE" TO PANAMA'S CRISIS. MANIFESTATIONS OF THIS ATTITUDE INCLUDED BOTH DEROGATORY FLYERS AND ANTI-SEMITIC COMMENTS BROADCASTED ON OPPOSITION RADIO STATIONS. FOR EXAMPLE, ONE FLYER URGED SHOPPERS TO BOYCOTT NON-PARTICIPATING JEWISH BUSINESSES. ANOTHER ALLUDED TO THE **KLAUS BARBIE** TRIAL IN FRANCE, AND LAMENTED THE "SHAME" OF PERMITTING JEWISH MERCHANTS TO HELP THE REGIME PERPETUATE ITS "CRIME AGAINST PANAMA." COMMENTS BY OPPOSITION LEGISLATOR MAYIN CORREA ON HER JUNE 10 RADIO CONTINENTE BROADCAST NOTED THE NUMBER OF OPEN (JEWISH) SHOPS ON PANAMA'S CENTRAL AVENUE, AND POINTEDLY CRITICIZED "OTHER RACES'" UNSWERVING DEVOTION TO THEIR OWN INTERESTS.

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10. THERE WERE NO PUBLIC MANIFESTATIONS OF ANTI-SEMITISM ON THE GOVERNMENT SIDE. (BUT THERE WAS GOVERNMENT PRESSURE. AS INDICATED IN

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PARAGRAPH 5, INDIVIDUAL JEWISH RETAILERS QUICKLY CAME INTO LINE IN SUPPORT OF THE GOVERNMENT IN CENTRAL PANAMA CITY.) ONE SOURCE CLOSE TO THE JEWISH COMMUNITY SUGGESTS THE REGIME RECOGNIZES THAT MANY JEWS' REFUSAL TO JOIN THE CRUSADE WAS IMPORTANT IN DETERMINING THE OUTCOME.

THE CONSEQUENCES OF STRIKE SUSPENSION FOR
PANAMANIAN JEWS

11. ALTHOUGH THE MAJORITY OF PANAMA'S JEWS EMERGED ON THE "WINNING" SIDE OF THE RECENT CONFLICT, MANY BELIEVE THE FRUITS OF VICTORY WILL BE BITTER. ONE CRUSADE LEADER HAS REMARKED -- PRIVATELY THUS FAR -- ON THE JEWS' FAILURE TO ACCEPT THEIR "MORAL" RESPONSIBILITY AS PANAMANIAN. MANY PANAMANIAN, ESPECIALLY THE OPPOSITION-ORIENTED MEMBERS OF THE UPPER AND MIDDLE CLASSES, PERSIST IN BELIEVING "THE JEWS" HELPED WRECK THE OPPOSITION'S BEST CHANCE YET FOR DEPOSING THE MILITARY. RIFTS HAVE ALSO OPENED AMONG THE JEWS THEMSELVES, WITH CONGREGATIONS AND, IN SOME CASES, FAMILIES, MORE CLEARLY DIVIDED. THE DUQUE FAMILY, FOR EXAMPLE, WHICH OWNS THE SEMI-INDEPENDENT ENGLISH LANGUAGE DAILY "STAR AND HERALD" QUARRELED BITTERLY OVER THE ISSUE OF STRIKE SUPPORT.

COMMENT

12. TO ADDRESS THESE AND OTHER CONSEQUENCES OF JEWISH BEHAVIOR THROUGHOUT THE DISTURBANCES, THE JEWISH COMMUNITY PLANS AN OPEN MEETING ON JUNE 24 TO DISCUSS "LESSONS LEARNED" FROM THIS EPISODE AND PLANS FOR DEALING WITH FUTURE OCCURENCES. SEPTEL WILL REPORT ON THE OUTCOME OF THIS MEETING.
(DRAFTED:ECON:SKBENNETT)
DAVIS

ADMIN
END OF MESSAGE

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