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# Panama's Bad News General

## More Noriega charges

**P**anama's strongman, Gen. Manuel Antonio Noriega, is now up to his epaulets in bad news. Last week Sen. Jesse Helms said, "There's no question about Mr. Noriega being the . . . head of the biggest drug-trafficking operation in the Western Hemisphere." Interviewed on NBC's "Meet the Press," Helms even intimated that Noriega might have had a hand in the air crash that killed Panama's popular dictator, Gen. Omar Torrijos. Other charges continued to leach out from U.S. sources about activities ranging from dope dealing to murder.

Noriega's spokesman, Maj. Edgardo López Grimaldo, accused U.S. critics of concocting the charges in a plot to keep the canal and dismissed Helms as "a racist and a member of the Ku Klux Klan." Such ripostes are unlikely to plug the leaks in Washington. One U.S. intelligence official likened the Panamanian strongman to a mob chieftain, except his "family" includes Panama's 15,000-strong National Defense Force. "It's really a Mafia group running a country," he said. Allegations from U.S. intelligence sources ran to uniformed capos who beat up and even bump off political opponents, deal in guns and drugs, smuggle illegal aliens and launder hundreds of millions of dollars in narcotics profits.

U.S. officials gathered some of their evidence against Noriega through wiretapping and electronic eavesdropping, intelli-

gence sources told NEWSWEEK. Because of that, they believe that Noriega ordered the grisly murder of opposition leader Dr. Hugo Spadafora, whose decapitated body was discovered last fall dumped in Costa Rica, stuffed into a U.S. mailbag. Denying the charge, Noriega claimed he had the most to lose from the death, since it would be blamed on him, and his spokesman labeled Spadafora "a professional guerrilla." Noriega "didn't cut off his head," said one knowledgeable source, "but he directed the entire operation." "We had testimony of plane loads of drugs taking off from military airfields," said a Helms staffer present at secret hearings on Panama. Said Norman Bailey, a former national-security-affairs adviser to the president: "The ingredients are there for Panama to become the first country to institutionalize the drug traffic."

Others contended that Noriega has played both sides of the isthmus, peddling arms to left-wing guerrillas in El Salvador and offering to do so for right-wing contras. U.S. officials told NEWSWEEK that he has let the free port in Colón circumvent the U.S. blockade of Cuba and export high technology to the East bloc.

**Concerted policy:** The scandal is more than an embarrassment. The U.S. Southern Command is headquartered in Panama. U.S. troops guard the canal, monitor shipping and communications and provide support for Honduras, El Salvador and the contras. In the short term, the administration can ill afford to lose Panama's cooperation, especially with its anti-Sandinista campaign in high gear. Supporting Noriega too strongly could tarnish America's credibility and contribute to an upheaval in Panama that could jeopardize U.S. interests. Many Panamanians saw the charges against Noriega as part of a concerted U.S.

government policy. Even opposition leader Ricardo Arias Calderón was suspicious. "I don't think this has as much to do with a true concern for democracy as it does with real concern for the Panama Canal and U.S. security in the region."

Asked how the administration planned to handle Noriega, one senior White House official said, "I haven't the foggiest idea." "What are we supposed to do, shut down the canal?" said another high administration official. So the State Department pressed cautious concern about the charges and the Drug Enforcement Administration continued to praise Noriega for regularly turning in dope dealers. The affair recalls the ambivalence of the Reagan administration in the final months of Ferdinand Marcos. Once again the United States is in the awkward position of trying to distance itself from an ally whom, at least for the moment, it cannot afford to alienate.

ROD NORDLAND with RICHARD SANDZ in Washington and LIZ BALMASEDA in Panama City

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