

# Red China Gets Toehold in Panama

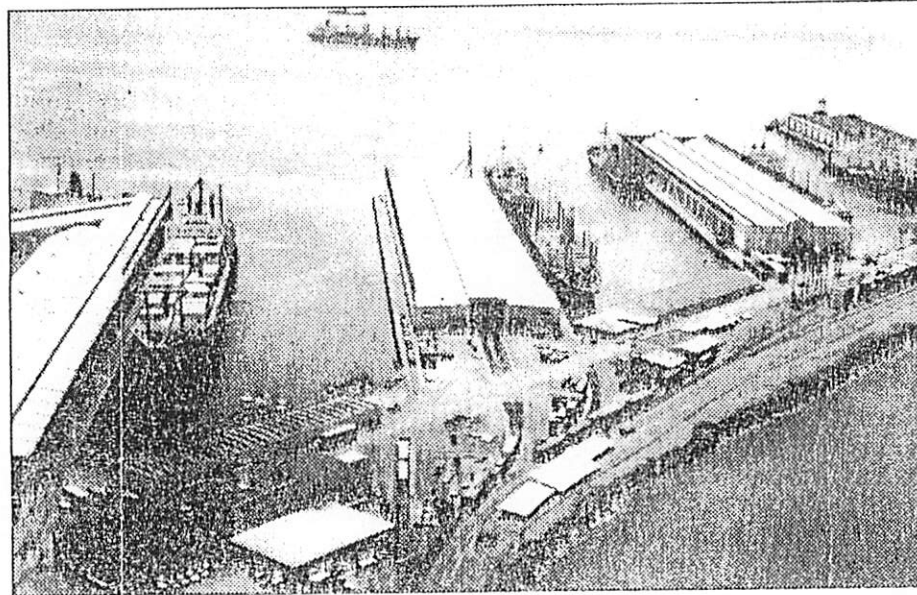
*You've probably never heard of Panama's "Law No. 5." Neither have most Panamanians. It could give Red China control of Panama Canal traffic.*

EXCLUSIVE TO THE SPOTLIGHT  
BY G. RUSSELL EVANS

A shocking new law, recently passed by Panama's Legislative Assembly, could give the Red Chinese a foothold at the Panama Canal after the Americans surrender the canal and all bases and move out by December 31, 1999. Law No. 5 right now gives Hutchinson Wampoa of Hong Kong far reaching "rights" over some of the strategic facilities and other operational matters affecting the canal and the United States.

Looming over all this is the imminent transfer of Hong Kong to Communist China on July 1—at which time Hutchinson will very much come under communist domination, as history proves when the communists move in. Head man at Hutchinson Wampoa is billionaire industrialist Li-Ka-Shing, a man with close ties to Red China.

On March 1, under terms of this law, Hutchinson took over the strategic ports of Balboa and Cristobal at each end of the canal. Hutchinson and Panama had negotiated the provisions of this law which heaps money galore on Panama and a 50-year "contract" for Hutchinson with



**This is the Atlantic terminal of the Panama Canal—the Cristobal piers—where the Red Chinese will be setting up shop after the Americans leave.**

future goodies for Red China.

A copy of Law No. 5 was passed to this writer by Bill Bright Marine, candidate for president of Panama in 1999.

The law received very little publicity in Panama because many Panamanians, although against U.S. interference, are also strongly anti-communist. Hutchinson, in the "contract," is called "Panama Ports Company," apparently to hide communist ties.

And not only were Panamanians kept in the dark about Law No. 5, so was U.S. Ambassador William Hughes who received a copy four

weeks after it was passed.

Panama's leading newspaper, *La Prensa*, kept quiet. Publisher Roberto Eisenmann opposes any U.S. presence in Panama after 1999.

#### CONSTITUTIONAL VIOLATIONS

This law violates Art. 274 of Panama's constitution which requires a plebiscite on Panama Canal matters. None was held.

Art. 2.11d violates Art. VI and Amendment (2) of the Panama Neutrality Treaty by denying "expedited treatment" of U.S. warships needing port facilities.

The Panama Canal Commission, the canal operating agency, repre-

sented by Public Affairs Director Willie Friar, told this writer on March 14 that she had "not heard" of Law No. 5.

Some of the shocking "rights" under this law are, as follows:

- Art. 2.1 could give Hutchinson exclusive use of Telfers Island, next to Caleta Island, where U.S. facilities feature strategic communications equipment.

- Art. 2.8 allows Hutchinson to transfer "contract rights" to a third party. This could be any enemy of the U.S.

- Art. 2.9 sets "contract" duration at 25 years with a 25 year extension option.

- Art. 2.10c allows Hutchinson to operate piloting services, work boats and tugs, inferring some control of canal pilots.

Art. 2.12a gives Hutchinson "priority" to all piers at Cristobal and Balboa, including private piers, plus an area at Albrook Air Force Station.

Other "rights" given Hutchinson in this 32-page "contract," include control of anchorages and piers, control of certain roads affecting canal security; and the "right" to require the United States and the Panama Canal Commission to "vacate" areas controlled by Hutchinson immediately.

The time has come for congressional investigation into deterioration of American rights and the communist threat at the Panama Canal, called "the most vital strategic maritime gateway in the entire world." Time is running out. 