

Remarks by U.S. Representative Bob Barr (GA-7)  
Before the Senate Armed Services Committee  
October 22, 1999  
The Future of the Panama Canal

Mr. Chairman, I thank you for giving me the opportunity to appear before this committee today. As someone who spent time in Panama growing up, who studied Panama in college and grad school, and who has traveled to that great country as a Member of Congress, I have a special affinity for the Panamanian people and a deep concern for the path their country takes.

According to the White House, we may as well close this hearing down and go home, because we're only playing a "silly" game. Last week, Joe Lockhart, the President's press secretary, called congressional concerns about the future of the Panama Canal "the kind of silly stuff that gets out from time to time in this town."

Mr Chairman, maybe Joe Lockhart really does think protecting America's national security, interdicting the flow of illegal drugs from South and Central America, and making sure American companies can ship their goods are nothing more than "silly" games. Fortunately for America, you, the Majority Leader, and the members of your committee who are here for today's hearing don't see things the same way.

My concerns with the pending and existing changes in Panama are essentially twofold. First, I am deeply disappointed to see the Clinton Administration has made absolutely no effort to maintain a United States military presence in Panama. They squandered an historic opportunity over the past two years to forge a new relationship between our two nations in the aftermath of the Carter-Torrijos treaty's end game. This neglect has occurred despite the fact that our 1977 treaty with Panama gives us the right to defend the canal and the right to negotiate a cooperative, continued U.S. military presence. Furthermore, in addition to unilaterally withdrawing U.S. troops from Panama, the Administration has taken no steps to maintain a cooperative, continued American law enforcement presence in the country. This lack of action has occurred despite significant congressional support for securing a law enforcement presence in the form of a multi-lateral narcotics center or a similar vehicle.

Secondly, and of even greater concern, is the fact that not only has the Clinton Administration failed to extend any United States presence in Panama, it has also allowed the Chinese to fill the resulting vacuum. The

most worrisome element of this trend is Panama's decision to convey to Hutchinson-Whampoa port facilities at both the Atlantic and Pacific ends of the Canal. Hutchinson-Whampoa is a Chinese corporation run by individuals with clear and extensive ties to the Chinese military.

The bidding process whereby Hutchinson-Whampoa was awarded this lucrative contract, was unusual to say the least, and in fact almost certainly corrupted. The same company has also obtained the right to lease Rodman Naval Base in the former Panama Canal Zone. As anyone who has studied China knows, there are few real distinctions between corporations, military units, and the government. Approaching the problem realistically means understanding that when a Chinese company purchases a port facility, it is exposed to use and abuse by the Chinese military. You can also rest assured such a purchase is neither short term nor limited. In this instance, for example, the Chinese are already expanding their facilities and their power.

Disturbingly, Chinese influence in Panama is not limited to simply obtaining control over shipping facilities. According to a recent Miami Herald story, for example, the Department of Justice is investigating a Panama-based scheme for Chinese immigrants to enter the United States illegally. There are also allegations that the Chinese government is aggressively settling Chinese immigrants in Panama. All these facts point to one inescapable conclusion: Communist China has decided to extend and solidify its influence in the western hemisphere, using Panama -- the "Crossroads of the Americas" -- as a base of operations.

Officials in the Administration and Panama tells us we are wrong to be concerned about these facts. In so doing, they are either hopelessly naive or willing to misrepresent what they know about the obvious commercial and military expansionist goals of the Communist Chinese.

Of course, the Chinese are not the only threat to U.S. interests in the region. There are also signs that narco-terrorists from nearby Colombia intend to take advantage of a disappearing American presence by making incursions into Panama. The Colombian National Police continues its heroic efforts to fight these narco-terrorists, but they can't do it without American assistance; assistance that had been made much easier by the now-vanished presence of the U.S. Southern Command and other units, in Panama.

Other countries see clearly what the Clinton Administration chooses to ignore. This week, for example, I spent some time discussing this issue with a reporter for one of Japan's largest television stations in my office. During the interview, I was struck by the depth of Japanese

concern about this issue that was reflected by the detailed and probing questions the reporter asked. Recently, I've had the opportunity to travel around America. A few short days ago, the National Security Center delivered 250,000 petitions from American citizens who are concerned about the Canal's future. The same kinds of concerns are reflected by the comments and questions I hear across the country and in Georgia's Seventh District. Unfortunately, the Clinton Administration has ignored those concerns, even as our allies elsewhere in the world understand the gravity of the situation, and even as American citizens in huge numbers recognize the error of unilaterally walking away from this key facility of world, regional and national economic and military value.