

U.S.-Panama trade pact looks shaky

Assembly's election of a leader who is wanted in the 1992 slaying of a GI has damaged ties as Congress prepares to vote on the treaty.

By Chris Kraul
Los Angeles Times
October 11, 2007

PANAMA CITY — In June 1992, on the eve of a visit by President George H.W. Bush, U.S. Army Cpl. Zak Hernandez was shot to death by a group of assailants near the Panama Canal. One of the killers, according to the U.S. government, was the man recently elected president of this country's National Assembly.

The political ascension of Pedro Miguel Gonzalez has generated outrage in the U.S. Congress and in the current Bush administration and could scuttle a free trade agreement between the United States and Panama.

Publicly, Bush administration officials are using restrained language to describe the reduced chances for the treaty, which took four years of negotiations and until last month seemed a sure bet for passage, even by a U.S. Congress that has grown leery of such trade deals.

"It's deeply troubling and we have communicated that to the Panamanian government," U.S. Secretary of State Condoleezza Rice said Tuesday in Washington.

Rice expressed that displeasure to Panamanian President Martin Torrijos last week when he made a second visit to Washington to discuss Gonzalez, who is a member of Torrijos' Democratic Revolution Party, or PRD.

Gonzalez, who was absolved of killing the 22-year-old soldier by a Panamanian court in 1997, is the son of Gerardo Gonzalez, the late anti-U.S. president of the PRD and supporter of Torrijos. Attempts to reach Pedro Miguel Gonzalez for comment Wednesday were not successful.

Strategically important

Gonzalez's election has put the Bush administration in an awkward position as it tries to rally congressional and public support for free trade deals with Peru, Panama, Colombia and South Korea amid growing disenchantment. The House is expected to vote on the U.S.-Peru accord in the next month, with a Senate vote to follow.

A trade agreement with Panama was seen by the Bush administration as a way to strengthen economic ties with a small but strategically crucial neighbor, home of the Panama Canal, and to encourage rule of law. But observers see little chance of passage as long as Gonzalez remains assembly president.

U.S. Sen. Max Baucus (D-Mont.), chairman of the Finance Committee, said in a statement that Gonzalez's election was "a serious impediment to the U.S. Congress' consideration of the U.S.-Panama Free Trade Agreement. Members are watching closely and are taking this development into account."

U.S. administration and congressional officials want Gonzalez to resign, but are reluctant to come out and say it, for fear of appearing to interfere in Panamanian affairs.

Privately, government officials say that even if Gonzalez were to quit, attitudes in Congress and in the administration have hardened against the free trade deal.

Torrijos' spokesman, Erich Auerbach, said that the president had a "position of respect for a decision made by the members of one of three branches of government in the Panamanian Republic."

"The president also understands that the election of Pedro Miguel Gonzalez can affect the free trade agreement and that is why he has made two trips recently to Washington to discuss it," Auerbach said in an interview Wednesday.

'Political error'

Leopoldo Neira, a Panama City political consultant and pollster, said Gonzalez's election was "a terrible mistake but no one wants to tell the government that. The mainstream believes it is a huge political error."

Gonzalez is wanted in the U.S., where a federal grand jury indicted him on murder charges in October 1992. He is accused of planning and carrying out the killing of Hernandez with help from Roberto Garrido and unnamed "others."

An official with knowledge of the case said the motive for the slaying might have been as "an extreme form of protest" against the first President Bush, who ordered the December 1989 invasion of Panama to overthrow dictator Manuel Noriega.

Hernandez was killed a day before Bush arrived. Assailants opened fire on his Humvee on the Panama City-Colon highway near the Panama Canal; another soldier in the vehicle, Sgt. Ronald T. Marshall, 24, was seriously injured. The gunmen apparently used a stolen Toyota.

Hernandez was from Puerto Rico and is survived by his mother, who lives in Maryland.

Gonzalez allegedly fled to the Dominican Republic after the incident. He returned to Panama in 1995 and gave himself up before television cameras to President Ernesto Perez Balladares, the newly victorious PRD candidate.

Gonzalez was acquitted of all charges in 1997, drawing sharp criticism from U.S. officials.

The Panamanian prosecutor who brought charges against Gonzalez, Jaime Abad, was forced to resign and later charged with a felony count of violating the public trust. He was given a three-year jail sentence, which was reduced to a \$1,500 fine.

Ballistics tests conducted by the FBI and Scotland Yard later identified an AK-47 assault rifle buried by Gonzalez's sister near Gatun Lake here as the weapon used to kill Hernandez.

The Puerto Rican Senate passed a resolution expressing "profound concern" over Gonzalez's Sept. 1 election as assembly president and his refusal "to submit himself to justice before U.S. courts to answer charges of having killed a member of the U.S. armed forces, the Puerto Rican soldier Zak Hernandez."