

DSG/CJC/Mr. Feltman (email)/AG (for info)

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JIMMY CARTER

✓ Panama

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EXECUTIVE OFFICE
OF THE SECRETARY-GENERAL

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Dr. Jennifer McCoy and I were invited by the Electoral Tribunal and the Peace and Justice Commission to witness the Ethical Pact and assess preparations for elections to be held May 4. We met with all the major candidate sand with business leaders, the Electoral Tribunal, President Ricardo Martinelli and his key advisors, and former presidents and executives of the canal authority. I spoke to several audiences, including a ceremony for the signing by all presidential candidates of Ethical Pact standards, sponsored since 1993 by the Catholic Church. These are quite strict, prohibiting any negative references to political opponents in media advertisements.

The president is limited by the constitution to one 5-year term and can seek reelection only after a 10 year interval, and past elections have always resulted in a change of parties. The incumbent president has been an assertive leader, and successful in inducing a majority of parliamentary members to shift to his party. Opposition leaders are concerned that he might seek their support in reducing the interval for reelection to five years. The Constitution can be amended in this way if the parliament votes with a simple majority in two successive sessions, with no public referendum required. This could be done with one vote between the election and inauguration of the new president on July 1, and a second vote in the new congress. An additional concern of the opposition is that the president's wife is the vice-presidential candidate of the ruling party. Some opposition groups have made unproven allegations of corruption, bribery, and intimidation by the ruling party, but presidential candidates are not raising these issues in their campaigns.

It is obvious that political leaders and almost all other Panamanians are very friendly toward the United States, and this close relationship involving security and political issues in the Organization of American States is recognized throughout Latin America.

President Martinelli expressed concerns about some of the magistrates of the Electoral Tribunal, who seem to be widely trusted by most other Panamanians. Public opinion polls indicate a fairly close contest among the three major parties. One of the opposition candidates is the incumbent vice-president, who was formerly allied with the ruling party and dismissed from his cabinet post by the president when they disagreed on some basic issues.

The canal is flourishing, with revenues having increased more than five-fold since it was returned to Panama in 2000. The construction project to double its capacity is scheduled to be completed by the end of next year, now that some legal disputes between the government and the major contractors were resolved. The country continues to enjoy a thriving economy, with annual growth approaching 10 percent.

The OAS will deploy a large team of election observers, and we will have a small group of about a half dozen. We also expect to participate in a post-election assessment of possible electoral reforms.

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