

106TH CONGRESS
1ST SESSION

S. CON. RES. 61

Expressing the sense of the Congress regarding a continued United States security presence in Panama and a review of the contract bidding process for the Balboa and Cristobal port facilities on each end of the Panama Canal.

IN THE SENATE OF THE UNITED STATES

OCTOBER 19, 1999

Mr. SESSIONS (for himself, Mr. LOTT, Mr. HELMS, Mr. INHOFE, Mr. ALLARD, Mr. KYL, Mr. THURMOND, and Mr. HUTCHINSON) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations

CONCURRENT RESOLUTION

Expressing the sense of the Congress regarding a continued United States security presence in Panama and a review of the contract bidding process for the Balboa and Cristobal port facilities on each end of the Panama Canal.

Whereas the 50-mile long Panama Canal, connecting the Atlantic and Pacific Oceans, is a key strategic choke point in the Western Hemisphere, is vital to United States and international economies, and remains a strategic passage for naval vessels;

Whereas the 1977 Carter-Torrijos Treaty transfers ownership of the Panama Canal to the government of Panama and

requires all United States military forces to leave by December 31, 1999;

Whereas under the companion Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal the United States retains the right, and has a responsibility, to protect and defend the Canal beyond the year 2000;

Whereas narcotics-funded terrorist forces in Colombia have spread their bases and logistical operations into southern Panama;

Whereas Panama does not have an army, navy, or air force, and the country's national police units lack adequate training, manpower, and equipment to deter heavily-armed hostile narcotics terrorist forces or to adequately defend the Canal against sabotage or terrorism from internal or external threats;

Whereas the Russian Mafia, Chinese Triad criminal organizations, Cuban government entities, and certain groups from the Middle East, all of whom have been hostile to the United States, are active in Panama, conducting weapons smuggling, money laundering, and massive counterfeiting and piracy of United States products and intellectual property;

Whereas systematic smuggling of illegal aliens from the People's Republic of China has been conducted with the involvement of high-level Panamanian officials;

Whereas the communist People's Republic of China is making major political, economic, and intelligence inroads in Panama, posing a long-term threat to American security interests;

Whereas the Hong Kong-based Hutchison Whampoa company, which has close ties to the People's Republic of

China and has served as a conduit for funding and acquiring technology for the Chinese People's Liberation Army, has been granted a 25- to 50-year lease to control the only port facility on the Pacific end of the Panama Canal and another port facility on the Atlantic end; and

Whereas Hutchison Whampoa was awarded control of the Canal ports, despite better offers made by consortia that included United States companies, through a contract bidding process that was widely regarded as secretive, corrupt, and unfair: Now, therefore, be it

1 *Resolved by the Senate (the House of Representatives*
2 *concurring)*, That it is a sense of the Congress that—

3 (1) the United States Government should re-
4 request that the new government of Panama, under
5 the leadership of President Mireya Moscoso, inves-
6 tigate charges of corruption related to the granting
7 of the Panama Canal port leases by the previous
8 Balladares administration;

9 (2) based on any finding of corruption related
10 to the granting of those leases, the United States
11 Government should request that the new government
12 of Panama nullify the lease agreements for the Bal-
13 boa and the Cristobal port facilities on each end of
14 the Panama Canal and initiate a new bidding proc-
15 ess that is both transparent and fair; and

16 (3) the United States Government should nego-
17 tiate security arrangements with the government of

- 1 Panama that will protect the Canal and ensure the
- 2 territorial integrity of the Republic of Panama.

