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PANAMA

Date Set for Referendum on Canal Modernization

The Panama Canal Authority (ACP), after several years of study, presented the government of Martin Torrijos with its long-anticipated proposal for the modernization of the Panama Canal (the transoceanic waterway was originally designed and built by the US government between 1904-1914) on 24 Apr, which was discussed and approved by the Executive Branch and presented to the National Assembly on 26 June as the Torrijos-Alemán Zubieta Plan.

After being sent back to the President's Cabinet Council for modifications and being promptly returned to the National Assembly with only minor changes in July, the Plan to expand the Panama Canal was, after minor skirmishing in the legislature, unanimously approved on 14 July and will be sent on to the people of Panama for a 22 Oct referendum on the question, at an estimated cost of \$7.8 million.

According to the latest polls (June '06), 57.3% of Panamanians approve of the Torrijos-Alemán Zubieta Plan, compared to 27.2% who are opposed.

In its rapid second trip through the legislature some opposition legislators proposed a series of amendments, the most noteworthy of which were to cut out the public funding for the "yes" side and postpone the vote until next Jan. However, the ruling Democratic Revolutionary Party has an absolute legislative majority and all amendments were rejected. After the third and final debate on 14 July, opposition legislators then joined in voting for the measure by a unanimous vote of all 72 deputies. The law was signed by President Torrijos on 17 July and published in the official congressional record, *Gaceta Oficial*, on 19 July.

The approved expansion plan contains 12 articles with three main parts: (1) the construction of a third set of locks in the Canal (to accommodate the world's largest ships), the construction of a bridge or tunnel for vehicular traffic (above or below the waterway) in the City of Colón on the Caribbean coast, the deepening of Gatún Lake to raise its maximum water level and to provide for extra water storage capacity, and related modernization projects; (2) the establishment of mechanisms for transparency, with

the obligation of the Panama Canal Authority (ACP) to publish information about all related contracts; and (3) the convocation of a referendum by the Electoral Tribunal to allow the people of Panama to decide “yes” or “no” regarding the expansion of the Panama Canal.

The estimated cost of the canal modernization project is \$5.25 billion, with the estimated date of completion in 2014, in time for the Panama Canal’s centenary celebration. Currently, the maximum size of vessel that can transit the canal is known as *Panamax*; an increasing number of modern ships exceed this limit, which are known as *post-Panamax* vessels. A typical passage through the canal by a cargo ship takes around nine hours: 14,011 vessels passed through the canal in ‘05, with a total capacity of 278.8 million tons, making an average of almost 40 vessels per day. Moreover, the expansion project would double capacity and allow more traffic.

According to the ACP, the third set of locks is financially profitable, producing a 12% internal rate of return. The third set of locks project is self-financed and its financing will be separate from the government’s financing. The state will not guarantee or endorse any loans undertaken by the ACP for the project’s execution. With tolls increasing at an annual average rate of 3.5% for 20 years, and according to the most probable traffic demand forecast and construction schedule, the external financing required will be mainly temporary and in the order of \$2.3 billion to cover peak construction activities between ‘09 and ‘11. With the cash flows generated by the expanded Canal, investment costs will be recovered in less than 10 years and financing could be repaid in approximately eight years.

DEA Accuses Panama Prosecutor of Obstruction of Justice

On 14 July, officials of the US Drug Enforcement Agency (DEA) in Miami, Florida, formally accused Aminta Corro, a Panamanian anti-drug prosecutor for the region of Colón-Kuna Yala, of obstruction of justice and of having ties to international drug traffickers.

Previously, on 4 July, DEA agents at Miami International Airport had refused entry to Corro, which prompted Panama’s Attorney General and officials of the Public Ministry (national police agency) to demand an immediate investigation concerning the accusations against her.

Corro immediately defended herself by saying: “I have worked 21 years for the Public Ministry and 11 of those years as an Anti-Drug Prosecutor; I have processed more than 5,000 criminal accusations against drug traffickers, and no one has ever accused me of any wrongdoing!”

Corro’s superiors gave her a leave of absence from 15 July to 1 Aug while a preliminary investigation about the matter was begun.

After her US visa was cancelled, both she and her boss, Attorney General Ana Matilde Gómez, wanted to know why. It turns out that US authorities believe that Corro was filtering information about police and prosecutor investigations to drug traffickers. Now Corro is accusing former anti-drug prosecutor Patricio Candanedo of planting a bogus story to that effect with the US DEA as part of an orchestrated office politics campaign against her.

Panama Helps in Lebanon Evacuations

Panama has no diplomatic presence in Lebanon, but there are a number of Panamanian citizens who live there. Now there are nearly 100 fewer, because the Panamanian government has coordinated efforts with Greece, Cyprus, the US and several Latin American governments to send Panamanian-flag merchant ships to Lebanon to evacuate foreigners who are fleeing the war between Hezbollah and the Israeli Defense Forces.

Evacuation by air is not possible because the Israelis have been attacking all-important civilian infrastructures in Lebanon and one of the first ones they destroyed was the Beirut airport. In addition to Panamanians, the government agreed to help evacuate Dominican citizens. The evacuees are generally being taken by to Cyprus or Greece, and then making their way back to Panama or to other destinations by air from there. A few have also escaped Lebanon overland, making their way through Syria to Jordan.

As of 23 July, about 100 Panamanians had been evacuated from Lebanon. On the Israeli side of the border, three Panamanian students at a university in Haifa were sent farther south to Tel Aviv to get them out of the way of Hezbollah rocket attacks.

Lebanese Community in Panama Protests Lack of UN Action

On 27 July, about 300 members of the Arab-Lebanese community in Panama protested in front of the UN headquarters in Ciudad de Saber (City of Learning, a Panama City suburb), demanding an immediate “cease fire” between Israeli Defense Forces and Hezbollah in southern Lebanon, as well as immediate humanitarian aid for Lebanon.

The demonstrators—men, women and children—shouted, “The UN is useless!” and denounced “Israeli Zionists.” Leading the march was the Honorary Lebanese Consul in the City of Colón, Foozi Hachem, who blamed the UN for its silence while Israeli military forces bombed, destroyed and occupied parts of Lebanon after 12 July, when Hezbollah militants in south Lebanon kidnapped two Israeli soldiers near a border checkpoint.

The Arab-Lebanese community in Panama numbers about 6,500 people, the majority of whom are dedicated to commercial activities in the Colón Free Zone.

—*Clifton L. Holland*